

**Testimony from Tony Fiore  
On behalf of  
The Ohio Society of CPAs and the Ohio SHRM State Council  
Regarding  
Reforms to Ohio's Unemployment Compensation System  
Before the  
Unemployment Compensation Reform Joint Committee  
On  
November 3, 2016**

Chairmen Peterson and Schuring, and members of the Unemployment Compensation Reform Joint Committee, thank you for the opportunity to testify on reforms to Ohio's Unemployment system. My name is Tony Fiore and I am an attorney with the Columbus based law firm of Kegler Brown Hill + Ritter. I have tracked unemployment compensation legislation in all 50 states for a national trade association for over 8 years and advocated on behalf of business in Ohio regarding UI for over 16 years. In addition, I helped spearhead a small team to help provide similar recommendations to the North Carolina business community and political leaders when they reformed their system in 2012-13.

I am here today on behalf of two statewide professional associations: The Ohio Society of CPAs and the Ohio SHRM State Council. I hope that my testimony will provide further support on why comprehensive reforms to Ohio's unemployment compensation system are now necessary before the next economic downturn hits the state.

The Ohio Society of CPAs (OSCPA) is a leading partner and influential voice for a thriving business environment. The OSCP is a community of 22,000 members and an industry of 85,000 CPAs and accounting professionals statewide, leading important initiatives that protect the public and create a healthy and sustainable business climate in Ohio. Membership is comprised of CPAs and other financial experts working in a wide range of Ohio businesses and industries, CPA firms, government and education.

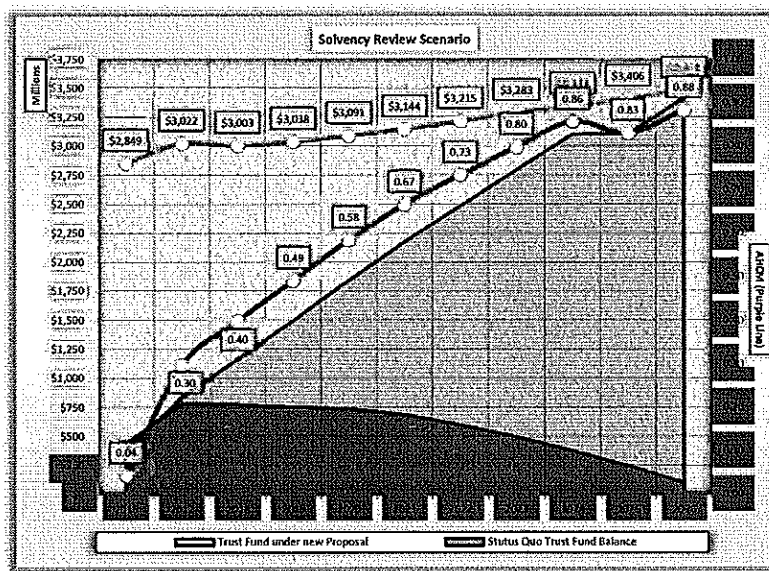
The Society for Human Resources Management ("SHRM") was founded in 1948 in Berea, Ohio. SHRM is the world's largest HR membership organization devoted to human resources management. Representing more than 275,000 members in over 160 countries, the Society is the leading provider of resources to serve the needs of HR professionals and advance the professional practice of human resource management. SHRM has more than 575 affiliated chapters within the United States and subsidiary offices in China, India and United Arab Emirates. In Ohio, the Ohio SHRM State Council represents over 25 local chapters and more than 12,000 members.

I've been around long enough to remember the recommendations from the Unemployment Compensation Advisory Council (UCAC) back in the 2000s. Those solvency changes advocated by both business and labor included: (1) increasing taxes on employers gradually; (2) reducing benefit payouts by freezing automatic increases in future benefits; and (3) eliminating the dependency allowance. I'll touch on these and other recommended changes throughout my testimony.

The CPAs and HR managers of this state want the UI system to be solvent, affordable, predictable, and provide a seamless pathway for claimants to quickly return to the workforce. There are several options available to the Ohio General Assembly. I'll try to focus on providing statistics when possible and alternatives regarding 1) solvency, 2) re-employment/workforce training, 3) system integrity, 4) taxes, and 5) benefits.

#### Why reform the system now?

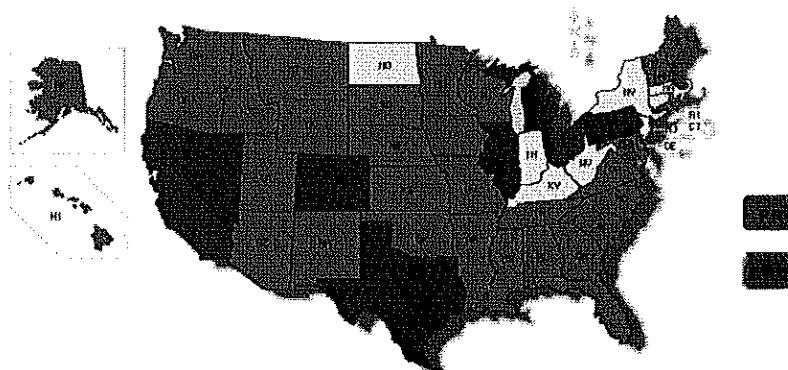
The purpose of all the recommendations that follow are to help return Ohio's Unemployment Insurance (UI) Trust Fund to a position of solvency now and assure continued solvency into the future. A solvent UI Trust Fund serves to strengthen the state's position in an increasingly competitive global marketplace. My testimony describes a balanced approach, with shared sacrifice and opportunity for unemployed workers and for employers seeking to not only survive, but to thrive. We worked with the ODJFS staff on the following graphic that statistically provides a road to solvency, but all elements of comprehensive reform are necessary to achieve this goal. I'll go through each of the recommendations and summarize at the end.



It is important to note that none of the changes contained in my testimony affect benefits currently being paid to unemployed individuals, meaning these changes are not retroactive. It should also be noted that no change will interrupt the payment of unemployment benefits to eligible UI claimants. Even if the UI Trust Fund becomes insolvent again in the future no eligible claimant will go without receiving a benefit check. The most critical observation of my testimony is that anything less than making the comprehensive reforms will only produce marginal results and likely

lead to a series of ongoing reforms or “Band-Aids” in an attempt to fix the current UI system. This testimony is largely based off the premise that asking employers to continuously pay more for a system (one they already fully fund) without greater oversight and continuous improvement is simply unsustainable.

## Solvency



The U.S. Map<sup>1</sup> above depicts the status of state trust fund solvency as of October 31, 2016.

- RED states are those that were borrowing as of October 31, 2016 (including the Virgin Islands).
- BROWN states are those that are currently using employer financed bonds or other state financing to repay Title XII loans.
- Purple represents Ohio since we have repaid the UI loan, but have the 2017 surcharge to repay the unclaimed funds account.
- YELLOW states are those with positive balances of less than six months of benefits in the state trust fund.
- GREEN states are those with more than six months of benefits in the state trust fund (including Puerto Rico).

Ohio’s unemployment insurance system was running a deficit of between \$62 million up to \$2 billion (in 2009). This deficit led to Ohio borrowing upwards of \$3.4 billion from the federal government, placing Ohio’s debt as the top 5 highest in the country for most of the recession.

There were two provisions included in HB 390<sup>2</sup> (effective September 28, 2016) related to outstanding Federal Unemployment Account (FUA) loans as well as interest on such loans. One provision requires the Director of ODJFS to increase all contributory employers’ taxes up to five-tenths of one percent (0.5%) for the purpose of eliminating the principal on any outstanding debt from the federal advance. The other requires the Director to require each employer to pay a surcharge in an amount sufficient to repay any interest on FUA loans paid from the newly created UC Interest Contingency Fund. However, if Ohio experiences the type of unemployment like it experienced between 2008 and 2010, the state needs more than just the ability to increase taxes and apply surcharges to employers. We fully agree with the Office of Budget and Management Director Tim Keen’s comment in testifying on the UI provisions to HB 390 that “it does not tackle

<sup>1</sup> [www.uwcstrategy.org](http://www.uwcstrategy.org) – 2016 Highlights of State Unemployment Compensation Laws

<sup>2</sup> <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA131-HB-390>

the most important long-term challenge – the ongoing structural imbalance between revenues and benefits in Ohio’s unemployment compensation system.”

#### **When will we have enough in the UI Trust Fund?**

Ohio should have in place some measurement that establishes when the fund is strong and solvent. Each state determines its own definition of an adequate reserve. Ohio law calls the adequate reserve the “minimum safe level (MSL)”. The MSL is the amount of funds the state determines it needs to sustain the UI Trust Fund through a historically typical recession without borrowing. The current MSL is nearly \$2.85 billion according to ODJFS. The US DOL uses a measurement called the average high cost multiple (AHCM). As you can see from the map above and the AHCM from our surrounding states they all have some work to do in creating a more solvent state UI Trust Fund. If Ohio defined the MSL at a 1.0% AHCM as proposed in HB 394 it would require a balance of \$2.574 billion that would increase to over \$3 Billion. That level may be too high of a threshold to set for the trust fund. This standard would require close to or exceeding \$3 billion or nearly 3x annual premium collection. As of October 31, 2016 we had a fund balance of \$529.5 million.

State	AHCM
Indiana	0.02
Kentucky	0.01
Michigan	N.A.
Ohio	N.A. (MSL definition)
Pennsylvania	N.A.
West Virginia	0.25

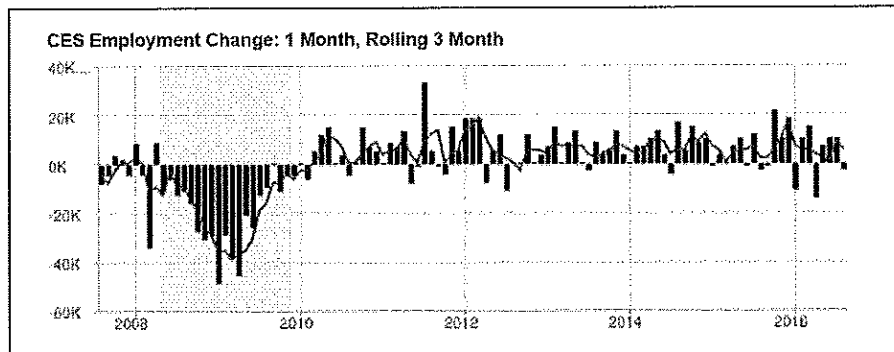
**Recommendation:** define the minimum safe level (MSL) at between 0.5% and 0.8%. The chart at the end of my testimony states that if certain changes are made, such a standard would place the state UI trust fund between \$2.5 and \$2.8 billion in the next 8 to 10 years. Once the fund reaches this threshold, employers should experience some relief in the form of a lower taxable wage base, rates or a combination of both. There is no rationale for overtaxing employers.

#### **Re-Employment and Workforce Training/Education**

The most important goal of the unemployment compensation system is to help claimants return to work. States across the country have begun to turn the focus of UI systems to reemployment, and Ohio is in a position to adopt the best practices from other states in developing a set of performance measures and a delivery system that may serve as a model. There are currently millions of dollars budgeted for workforce development programs throughout the state. Improvements and integration of systems are needed to focus on reemployment through performance based standards. Such measures should focus on individuals actually getting jobs rather than the completion of a program by the individual. Employment should be given greater weight when determining the

success of workforce development, adult education and training programs, whether they are funded by the federal, state or local government.

The Bureau of Labor Statistics (BLS) has two monthly surveys that measure employment levels and trends: the Current Population Survey (CPS), also known as the household survey, and the Current Employment Statistics (CES) survey, also known as the payroll or establishment survey.



The state has been on an astounding record of creating jobs over the last 6 years. The CES chart<sup>3</sup> below depicts job growth over the past 8 years.

Employment should not be the only metric used to determine if publicly funded resources are being utilized in the most effective manner. Retention rates are also critically important in determining if education and training programs are meeting the needs of Ohio employers as well as jobseekers. Employing UI claimants, whether in permanent full-time jobs or part-time jobs while they complete an education or training program, helps replenish the UI Trust Fund by reducing benefit pay-out and increasing unemployment tax revenue. In addition to UI tax revenue, employment saves the state in reduced payout for public assistance and support payments while increasing state income tax revenue and increasing spendable cash to bolster the local economy.

**Recommendation:** Narrow the job search skills gap across the state. Job search skills training is rarely a formal component of high school or college curriculum. Therefore, job seekers rely primarily on college and government career centers and self-study options to fill this gap. The resulting job search skill gap not only impacts unemployment rates, but also impacts the ability of workers to identify their transferrable skills and bring them to the attention of employers. Ohio law requires a machine-generated resume to be posted to OhioMeansJobs.com (OMJ) upon UI claimant registration based upon their work history. It must be replaced or amended by an individualized resume by the 8<sup>th</sup> week of benefit receipt. In an era where most communication and job searches can be done in a matter of minutes on a smartphone, claimants should be required to upload their resume

<sup>3</sup> <http://www.deptofnumbers.com/employment/ohio/> using U.S. Bureau of Labor Statistics data.

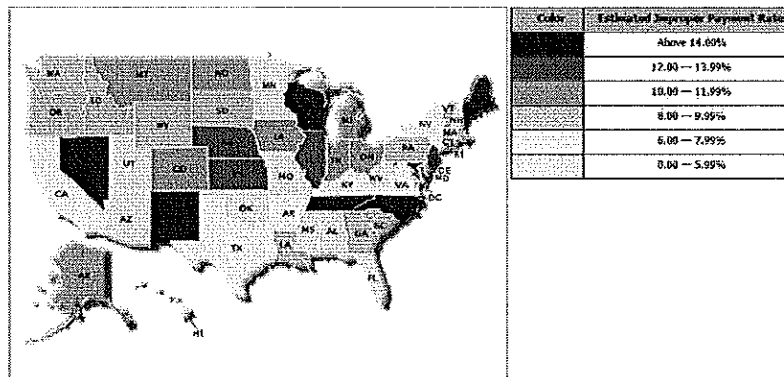
within the same week they file for benefits. Their next employer may have been waiting several weeks or months for a jobseeker with their specific skills, but until the employer knows the claimant is looking the match will never be made.

There are approximately 250,000 unemployed Ohioans. Assuming no changes are made to the system, the average 2017 tax collected per employee will be \$228 (2.53% x \$9,000) according to ODJFS. This assumes an average weekly benefit amount of \$350 and the average claim duration of 15 weeks which suggests a savings of \$5,250 per claimant (\$350 x 15). Therefore, the average tax revenue for reemploying varying levels of unemployed workers will result in the following revenue for the state UI Trust Fund:

Reemploying 100 UI Claimants	\$547,800	Employing 100 new workers	\$22,800
Reemploying 1,000 UI Claimants	\$5,478,000	Employing 1,000 new workers	\$228,000
Reemploying 10,000 UI Claimants	\$54,780,000	Employing 10,000 new workers	\$2,280,000
Reemploying 50,000 UI Claimants	\$273,900,000	Employing 50,000 new workers	\$11,400,000
Reemploying 100,000 UI Claimants	\$547,800,000	Employing 100,000 new workers	\$22,800,000
$\$5,250 + \$228 = \$5,478$ per claimant		2.53% Avg. employer tax rate * \$9,000 = \$228 Avg. per employee	

## Integrity

The American Institute for Full Employment ("AIFE") cites work search integrity as the leading cause of improper payments in the UI system. According to the U.S. Department of Labor this accounted for 4.5% of claims nationally totaling over \$1.5 billion. The AIFE's research suggest the largest problem occurs when: 1) a state requires a claimant to contact two to three employers per week; 2) the claimant self-certifies that the contacts were made and 3) the state is unable or fails to catch claimants who are intentionally or unintentionally reporting activity that never occurred.



The U.S. Department of Labor tracks data on fraud, waste and abuse in the Unemployment Insurance System. Ohio experiences an improper payment rate of between 10 to 11.99% as

depicted on the map<sup>4</sup> above. Figures displayed are **not** actual improper payment rate and dollars but an estimate based on results of the State Benefit Accuracy Measurement (BAM) survey sample (random audits) of paid and denied claims in three major UI programs: (1) State UI, (2) Unemployment Compensation for Federal Employees (UCFE), and (3) Unemployment Compensation for Ex-Service Members (UCX).

Ohio and many other states have limited administrative resources to ensure federal conformity with U.S. Department of Labor requirements. One integrity issue is to reduce the likelihood of improper payments by collecting overpayments. DOL does also track UI overpayment recovery. The average UI overpayment collection rate is 78.18% throughout the U.S., and Ohio nearly hits this mark at 77.23%.

The recovery rate<sup>5</sup> is the ratio of the amount of improper overpayments recovered to the amount of improper overpayments established. The chart below depicts the most recent data available, showing we still have just under \$7 million annually that is not recovered. If ODJFS is unable to recover this amount, the cost gets mutualized and every employer ends up paying more.

The state UI agency needs the tools to focus on integrity in benefit determinations, identification of fraud and overpayments, and the collection of overpayment amounts.

State Total Overpayments Established and Recovered					
July 2015 to June 2016					
	UI + EB + EUC Overpayments Established	UI + EB + EUC Overpayments Waived	UI + EB + EUC Adjusted OPs Established +	UI + EB + EUC Overpayments Recovered	Not Recovered
ST					
OH	30,749,614	\$417,935	\$30,331,679	\$23,424,824 77.23% recovered	\$6,906,855 22.77%

**Recommendation: Provide additional time for ODJFS to collect overpayments.**

There are 26 states that do not limit the amount of time to collect an overpayment. Ohio should extend the statute of limitations for recovering overpayments for claims involving non-fraud from 3 years to between 4 and 10 years. This would make it consistent with the Ohio Department of Taxation's statute of limitations for tax assessments found in Ohio Revised Code 5747.13(A) at four (4) years or up to the plenary restriction on collection in ORC 5703.58 of 10 years for most taxes or 7 years for use tax. In addition, the state should eliminate the statute of limitations on collection of overpayments involving fraud. If benefits were improperly paid, the state should have more time to collect instead of placing the burden of millions of dollars in uncollected overpayments on the backs of Ohio employers. This provision will also help ensure employers do not pick up the cost of uncollectable overpayments in the mutualized tax.

<sup>4</sup> <https://www.dol.gov/general/maps>

<sup>5</sup> [http://oui.dolaleta.gov/unemploy/overpay\\_recovery.asp](http://oui.dolaleta.gov/unemploy/overpay_recovery.asp)

## **Affordability/Benefits**

No qualified UI claimant will ever suffer without an unemployment compensation check because the state UI Trust Fund is insolvent. The only question is whether the state has enough in its account or needs to borrow from the Federal Unemployment Account (FUA). During the most recent recession benefits significantly overshadowed the revenues -- simply put, the checkbook was unbalanced. It is a very reasonable approach to look at both raising revenues and mitigating expenses in the UI system similar to addressing personal finances or a company's budget. The benefit payout overhang in many states continued longer than previous recessions due to the lack of significant job growth and the continuation of benefit payment provisions. In many states, including Ohio, extended benefits and emergency unemployment compensation amounted to 99 potential weeks of benefits. A number of states across the country have taken action to reduce benefit payout through the reduction of the potential number of weeks of benefits, changes in the determination of the weekly benefit amount, and requiring a waiting week.

### **Exempting UI benefits from state income tax**

We also researched the idea of exempting UI from state income tax as proposed by the Ohio Manufacturers' Association in their testimony on October 20. There are 41 states that tax wage income. Of the remaining states, six states completely exempt unemployment benefits from tax (California, New Jersey, Oregon, Montana, Pennsylvania, and Virginia). Two states (Indiana and Wisconsin) partially exempt a fixed dollar amount of benefits from state income tax but tax the rest. The remaining states fully tax unemployment benefits.

### **Weekly Benefit Amount**

Ohio's current maximum weekly benefit amount is higher than the national average and higher than any surrounding state except Pennsylvania. Ohio's maximum benefit amount is 10<sup>th</sup> highest in the nation. Using 4<sup>th</sup> quarter 2015 data from US DOL, the average weekly benefit of \$345.92 is higher than the national average of \$335.17 and ranks 17<sup>th</sup> highest.

State	Average Weekly Benefit Amount
Indiana	\$260.80
Kentucky	\$312.91
Michigan	\$292.69
Ohio	\$345.92
Pennsylvania	\$392.28
West Virginia	\$308.52

**Recommendation:** Freeze Ohio's weekly benefit amount until the trust fund is solvent. First, this was part of the UCAC's original recommendations agreed to by business and labor. Second, nineteen states, including Michigan and Indiana, do not have automatic increases in the maximum weekly benefit amount. Freezing the weekly benefit amount does not take benefits away from UI claimants; it simply does not permit the amount to increase each year while the fund is rebuilding.



### Dependency Allowance

Like many other states, Ohio provides alternative safety nets for individuals that need assistance when they are out of work. These programs include food and cash assistance, TANF (work eligible individuals), child care as well as healthcare for the Medicaid eligible. Ohio recently expanded Medicaid to help all Ohioans, but that comes with a taxpayers' price tag of 5% of that expansion starting in 2017 and 10% starting in 2020. Fourteen state laws, including Ohio, provide for the payment of dependents' allowances. Those states include Alaska, Connecticut, D.C., Illinois, Iowa, Maine, Maryland, Massachusetts, Michigan, New Mexico, New Jersey, Pennsylvania and Rhode Island. Out of these states, Ohio has the **second highest** maximum benefit allowance.

State	Maximum Weekly Benefit Amount
Indiana	\$390
Kentucky	\$415
Michigan	\$362 (even with dependents)
Ohio	Claimants receive no more than 50% of their previous weekly wage, up to a maximum of: <ul style="list-style-type: none"><li>• \$435 for an individual with no dependents</li><li>• \$527 for an individual with one or two dependents</li><li>• \$587 for an individual with three or more dependents</li></ul>
Pennsylvania	\$573-\$581
West Virginia	\$424

**Recommendation:** Eliminate the dependency allowance. This was part of the UCAC's original recommendations agreed to by business and labor. A maximum weekly benefit amount of \$435 is in line with our surrounding states, and it eliminates an inequity between two identical UI claimants, one with dependents and the other without dependents.

### Maximum Number of Weeks

As ODJFS Director Cynthia C. Dungey stated in her August 5, 2014 testimony to a previous UC Study Committee, the maximum number of weeks for most state programs increased from 16 to 26 over the last 75 years since the UI program was established in 1935. Over the past decade, a number of states reduced the number of potential weeks of unemployment based on the total unemployment rate. More recently states began lowering the maximum weeks based on a sliding scale or reducing the maximum number of weeks from 26 to 20, or created a sliding scale depending on the unemployment rate.

State	Maximum Number of Weeks of UI
Florida	12 to 23
Georgia	14 to 20
Kansas	16 to 26
Michigan	20
Missouri	13 to 20
North Carolina	12 to 20
South Carolina	20

**Recommendation:** Consider reducing the maximum number of weeks from 26 to 20. Other states have utilized this approach to address solvency. Since there was opposition to moving toward a sliding scale of 12 to 20, reducing the maximum weeks to 20 would be a compromise.

## Taxes

Ohio employers *fully fund* the state's unemployment insurance program and pay over \$1.1 billion in annual state UI tax. Employees make no contribution into the unemployment trust fund. There has been no trend or significant benefit when imposing an employee tax in the three states that have done so: Alaska, New Jersey and Pennsylvania. Therefore, I would not recommend implementing such a tax here in Ohio.

Ohio employers pay a significant amount of required overhead costs for local, state and federal taxes. Both OSCPA and SHRM members' labor costs range between 30 to 75% for members in industries such as restaurants, hotels, manufacturing, construction as well as the financial and legal service industries. Any increase in government mandated expenses takes away from providing additional benefits to an employee's 401K, retirement, healthcare or other fringe benefits provided by the employer.

I've provided a sample breakdown from one business in the restaurant and hospitality industry below. These percentages over several hundred or thousands of employees add up quickly. We are talking about hundreds of thousands and some cases millions of dollars in payroll taxes. NOTE: Businesses have other types of significant human resource (HR) costs, including recruitment and retention, as well as operational costs such as property, equipment, office, marketing, etc. that minimize net profits to under 5 percent in some industries.

Sick Pay	0.08%
Vacation Pay	0.83%
FICA/Medicare/Unemployment	3.58%
Workers Compensation	0.59%
Hospitalization & Disability	2.60%
Hosp & Dis - Employee Contr	-0.91%
401k Savings Plan	0.29%
Employee Meals Provided	0.49%
	<u>7.56%</u>
Total Payroll	28.22%
Benefits as a % of Payroll	<u>28.78%</u>

We can minimize the Federal Unemployment Tax Act (FUTA) rate of 0.6% (or \$42 per employee) on employers by not borrowing again in the future. The following chart summarizes the State Unemployment Tax Act (SUTA) tax rates for Ohio employers.

Ohio Employer Contribution Rates	2008	2009	2010	2011	2012	2013	2014	2015	2016
Lowest Experience Rate	0.5%	0.7%	0.5%	0.7%	0.7%	0.3%	0.3%	0.3%	0.3%
Highest Experience Rate	9.2%	9.4%	9.4%	9.6%	9.1%	8.4%	8.5%	8.6%	8.7%
Mutualized Rate	0.2%	0.4%	0.2%	0.4%	0.4%	0.0%	0.0%	0.0%	0.0%
New Employer Rate (except construction)	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%
*Construction Industry	5.8%	5.8%	6.0%	6.4%	7.0%	7.7%	7.2%	6.5%	6.4%
Delinquency Rate	11.5%	11.8%	11.8%	12.0%	11.4%	10.5%	10.6%	10.8%	10.9%

As you can see from the table above, state unemployment contributions automatically go down when benefit payouts decrease during good economic times. The opposite is true during economic downturns – as benefit payouts increase employer experience rates increase. This is a function of the insurance system working, much like your home or auto policies.

The average per employee state UI taxes paid by Ohio employers is higher than other states in the region. However, the current tax rates do not generate sufficient revenue to cover benefits on an annual basis or to build solvency in the UI trust fund. Amendments to the current tax rates are needed to assure that the state UI tax structure is responsive to changes in the economy and capable of providing adequate funds to pay state UI benefit amounts as needed – over a reasonable time period – without borrowing from federal accounts.

UI tax rates should be set so as to enable Ohio employers to compete with their counterparts in other states and in the global marketplace. Tax rates that result in unexpected and significant increases in costs discourage job creation and result in a shrinking tax base. Recommendations in this study prescribe a balanced approach to address UI solvency and encourage job creation in Ohio, and propose to change the tax rates to distribute the cost of the UI system more completely across the full range of unemployment experience.

Both raising the taxable wage base or raising tax rates have been proposed by various groups in the past. ODJFS has projected that increasing the taxable wage base from \$9,000 to \$11,000 in 2018 and until the UI trust fund reaches a level of strength and solvency will provide an increase of \$300 million, from between \$1.3 to \$1.4 billion in revenue annually versus between \$1.0 and \$1.1 billion.

Employer Rate	2016 Rate	Taxable Wage Base	2018 Cost Per Employee
Lowest	0.3% (0.003)	\$11,000	\$33
Highest	8.7% (0.087)	\$11,000	\$957
Construction	6.4% (0.064)	\$11,000	\$704
Delinquent	10.9% (0.109)	\$11,000	\$1,199

**Recommendation:** temporarily phase in an increase in the taxable wage base from \$9,000 to \$11,000 in 2018 after the one time surcharge to repay the unclaimed funds is removed following 2017 and temporarily freeze MSL surcharges on employer rates. This suggestion was also part of the UCAC recommendations as a compromise between business and labor. Once the fund has been replenished the taxable wage base and rate reduction can be phased in to provide some relief to Ohio employers.

## Miscellaneous Issues

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### Bonding Future UI Debt

Although bonding is not the preferred solution as we generally do not support increasing long-term debt, in order to weather the next major economic downturn, the state should have a mechanism (as an option) to bond this type of debt instead of employers' incurring costly penalties. Doing so will provide a fixed interest rate for employer's to repay the loan rather than federal law automatically increasing employer's taxes by \$21 per employee each year after the state has maintained a federal UI loan balance for two consecutive years. The state would significantly improve its solvency position by repayment of the debt quickly by bonding it to avoid future FUTA tax increases on employers. In addition to automatically increasing FUTA taxes, federal law requires that states pay interest on outstanding loans and repayment of interest must be made from sources other than the state UI tax.

Adding the capability to bond any outstanding UI debt would provide the means for Ohio to repay any outstanding UI loans with a fixed repayment rate rather than carry a balance year after year with subsequent federal tax increases. The UI Trust Fund should be restored to a healthy and solvent position for long-term sustainability and should be prepared for future economic downturns.

**Recommendation:** Support efforts for a constitutional amendment to allow the bonding of unemployment debt. The Ohio Supreme Court case, *The State, Ex Rel. Shkurti v. Withrow* (1987), prevents the state from issuing bonds for the UC debt, which is how many of the other states paid off their recent loans from the federal government. Other states that use bonds or alternative financing to manage UI debt include: Colorado, Illinois, Michigan, Nevada, Pennsylvania and Texas. Legal authority (most by statutory authority) to use bonds or alternative financing is also available in Arizona, Arkansas, Connecticut, Idaho, Louisiana, Missouri, and Wisconsin.

### Self-Auditing

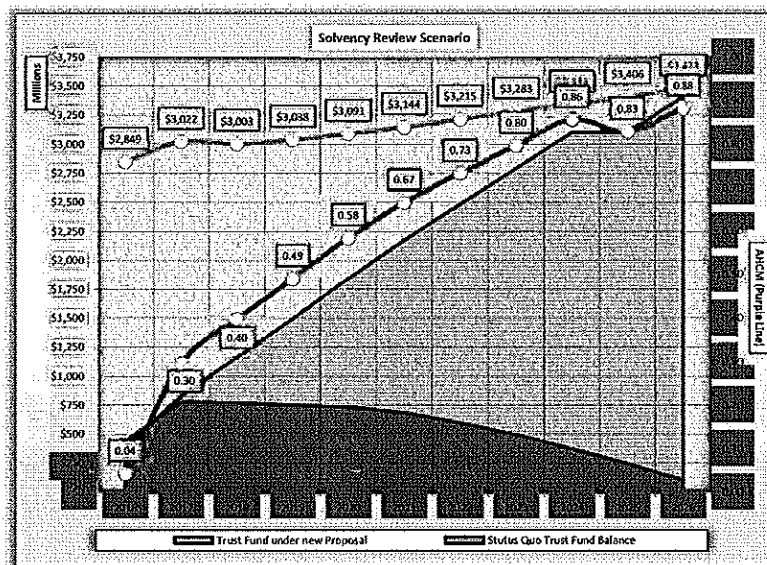
The ODJFS should consider offering employers an opportunity to self-audit if they meet certain criteria, such as no previous findings or reporting delinquencies. This option would save both ODJFS and taxpayer businesses the time and expense of an in-person review. Since the audit typically reviews tax records already filed with other agencies, ODJFS could create worksheets for the taxpayer/business to complete on-line for their review. This practice is used in the private sector for workers' compensation insurance in other states, commercial liability insurance premium audits and for various other taxes.

**Recommendation:** Permit employers to self-audit and reporting. If employers go through the time and expense of ensuring they are complying with state laws, they should be able to do so without penalty.

## Conclusion

I asked the staff at ODJFS to provide a model to estimate where the UI Trust Fund would be by 2026 if the quantifiable changes were made to Ohio's system. You will see in the chart below that we can achieve a strong state UI Trust Fund through increasing the taxable wage base in 2018 to \$11,000, freezing the MSL employer surcharges, freezing the base rate triggers automatically increasing benefit levels, reducing the maximum number of weeks to 20, and eliminating the dependency allowance. There are several changes mentioned above and additional changes suggested by other organizations that are much more difficult to quantify, but equally important to addressing the long-term solvency of Ohio's UI system.

A piecemeal approach to addressing the needs of Ohio employers, UI claimants and jobseekers will not produce as successful a result as implementing the complete package of reforms. The primary stakeholders in the UI system, legislative leadership in both houses and the Governor's office should be updated from ODJFS on a quarterly or semi-annual basis. If the fund recovers faster, then changes can be made to address both taxes and benefits at that time.



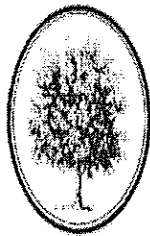
Chairmen Peterson and Schuring, and members of the committee, thank you for the opportunity to provide testimony today. I would be happy to answer any questions.

**From:** The Buckeye Institute

**Sent:** Wednesday, November 9, 2016 4:39 PM

**To:** Rep48

**Subject:** Stevie Wonder style message-sending, election results, and policy work at Buckeye



## THE BUCKEYE INSTITUTE

A post-election reflection from Buckeye's President Robert Alt:

Friends,

The American people have spoken, loudly and clearly. (Or, if you prefer, bigly.)

It was less about the particular candidates who were running. It was much more about people having a message and (in Stevie Wonder style) signing/sealing/delivering it through a messenger who could send it to Washington personally.

Yesterday was a repudiation of smug Washington elites, who watched in astonishment as their predictions were shattered.

Yesterday was an indictment of business-as-usual, as practiced by the establishment in *both* parties.

Yesterday was a rejection of top-down government telling the states what to do and disrespecting the people they were elected to serve.

And yesterday was not a request--but rather an outright demand--for pro-growth policy by an American people united in frustration who are working for stagnant wages and suffering under anemic economic growth during this supposed "recovery" we hear so much about.

Americans have been patted on the heads for too many years and told to calm down, to speak more deferentially, to have patience.

What the people said in response is, "we have had enough waiting, enough platitudes, and enough disrespect, thank you very much."

It's well past time for Washington to stop congratulating itself and start listening to the hardworking citizens with commonsense values who are tired of the corruption and the "affordable" healthcare foisted upon them that raised premiums on their families and pushed good people off their old plans.

Now, we must prepare for a tomorrow when your healthcare plan isn't dictated by a Washington bureaucrat.

We must prepare for a tomorrow where states, as laboratories of democracy, can experiment to provide greater freedom and prosperity for their citizens.

We must prepare for a tomorrow where Ohio and the states lead the way once again.

It should come as no surprise to any of you that long before yesterday's results were in, your Buckeye Institute was indeed preparing for this inevitable tomorrow.

The Buckeye Institute drafted what became a first-in-the-nation law requiring Ohio to seek waivers from ObamaCare's most counterproductive mandates. Ohio is primed and ready for a new administration.

The Buckeye Institute has been touting these waivers in many other states as well. If the new administration grants (and there is plenty of reason to believe that it will), Ohio will serve as the first state in the nation to offer free market solutions to health insurance since ObamaCare was enacted.

While Washington sluggishly wrestles over the details of what kind of plan will replace ObamaCare, in the meantime Ohio serves as a gold standard example for the rest of the states. We are leading the way--

thanks to The Buckeye Institute's innovative idea on how to respond to ObamaCare with these waivers.

But our planning for tomorrow extends far beyond healthcare.

In energy, labor, regulatory policy, and taxation, there is a tremendous need for smart public policy solutions in states across the country--and Buckeye has prepared for a better tomorrow with practical and economically-sound solutions for these issues, too.

We are ready for the exciting challenges ahead having prepared for months and even years now. We hope you are ready for the ride ahead as well.

There are opportunities for the states to innovate in policymaking and to serve as test cases for other states and compete with each other. We will seize these opportunities.

Whether your favorite candidates won or lost yesterday, whether you woke up optimistic and reinvigorated or despondent and confused, tomorrow is yet to be written. And we are already getting back to work formulating the best ideas for times such as these.

Tomorrow comes with no guarantees: we must engage in hard work to assure that tomorrow will be better than today. We must push back against big government schemes promoted by our friends and foes alike. And that hard work is what Buckeye does everyday. And it is exactly this message Americans delivered yesterday: "Get over yourselves, Washington elites, you ain't all that and a bag of chips."

Thank you for your kind and continued support of our productive work together at The Buckeye Institute as we seek to build a freer and more prosperous tomorrow for all of the states. It is the most gratifying work there is, and there is so much more yet to do.

We're on it.

Yours truly,

A handwritten signature in black ink, appearing to read "Paul Cant", written in a cursive style.



Robert Alt  
President & CEO  
The Buckeye Institute

###

Founded in 1989, The Buckeye Institute is an independent research and educational institution—a think tank—whose mission is to advance free-market public policy in the states.

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## UNEMPLOYMENT COMPENSATION REFORM JOINT COMMITTEE

Testimony of William Hanigan

November 3, 2016

Good Afternoon,

Chairman Peterson, Chairman Schuring and members of the Unemployment Compensation Reform Joint Committee, my name is William Hanigan. I am recently retired as an Ohio Workforce Development Director of eleven years and previous to that the VP of Operations and Human Resources of a machine tool manufacturer. It has been my pleasure to have worked with State and Business Organizations in both careers in an effort to improve the workforce system of which unemployment is an integral part.

Thank you for the opportunity to provide testimony regarding challenges related to Ohio's Unemployment Solvency issue.

The Unemployment Insurance had its federal origins with the passage of Social Security Act of 1935. The original sixteen weeks of benefit has expanded to the current twenty-six, as a method to provide for the financial needs of workers, who are unemployed through no fault of their own, while searching for new employment.

The U.S. Economy has changed since 1935 with ever-changing technology requiring worker diligence in maintaining and fostering new skills. The manufacturing industry had cyclical employment which built then sold off excess inventory. Product life cycles and technology changes were longer. Life time employment was common. While all this has changed; we continue to linger at the edges of the Unemployment system hoping that twenty-six weeks of a fixed weekly benefit meets the current transitional needs of the unemployed worker and is sufficient to re-train under skilled laid-off workers in new technology. However, many workers have the skills to transition to new employment but may be delayed as initial wage offering are below that of their prior employment. The system is a one size fits all.

There may be an alternative option. Provide eligible unemployed workers a choice. A choice that would provide an opportunity to remain on the current unemployment system with the provision that they must monthly report to their local One Stop Center, so as to assist those who are struggling with their resume, interview or general job search; or provide to them a lump sum incentive of up to eight weeks of the average unemployment weekly benefit to enable and motivate the unemployed to take initial employment probationary offers which may be lower than prior earnings, or use such funds upon securing employment to assist the family in keeping a family member in

school, pay medical premium(s), or even bank the amount. In terms of payroll offset, if an unemployed worker were prepared to accept immediate employment the estimated \$2,744 lump sum (\$343 avg. weekly benefit X 8 weeks) would be equivalent to \$5.27/hour if applied to a three month probation period for a new job opportunity. This could be coupled with an On-the-Job Training effort through their local One Stop for in-demand occupations. The wage offset is currently available to those unemployed workers eligible under the Trade Adjustment Act (TAA) as provided by the U.S. Dept. of Labor, but not available to the average unemployed worker.

The unemployed worker has an option under this program. They can remain with the current twenty-six week program as amended with the reporting requirement; or if their skills are sufficient and opportunities are available, then they can opt for the lump sum benefit. The information conveyed and the choice is theirs.

The Unemployment Trust fund could benefit, if the option is selected. If in using September Labor Market Information, the 25,990 initial claimants were to remain under the current twenty-six week program the September claims would be \$138.6 million (25,990 claimants X \$357.88 avg. weekly benefit amount X 14.9 avg. weeks of duration). If the lump sum option for the same number of claimants were chosen then the obligation would be \$74.4 million. The difference between these two numbers would diminish based on the number selecting the twenty-six week current program.

It is time to examine alternative options for today's workers and business. I am hopeful that this concept will provide efforts to view the system differently.

Thank you for the opportunity to speak to you today. I am available to answer any questions you may have.



**Joint Committee on Unemployment Compensation Reform**

**Proponent Testimony – November 3, 2016**

**Jason Kershner – VP of Government Affairs, Cincinnati USA Regional Chamber**

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Good afternoon Chairman Peterson, Chairman Schuring, and members of the Joint Committee on Unemployment Compensation Reform. My name is Jason Kershner and I am the Vice President of Government Affairs for the Cincinnati USA Regional Chamber. The Cincinnati Chamber is the largest business advocacy organization in Southwest Ohio representing approximately 3,858 Ohio businesses and 285,379 employees. On behalf of the Chamber, thank you for the opportunity to testify today in support of reforms to the unemployment compensation system. It is the purpose of the Chamber to grow the vibrancy and economic prosperity of our region, and we help to accomplish this objective by being a Bold Voice for Business within government, which is why we are here.

According to Ohio labor market information, employees in the Southwest Ohio region represent approximately 1/5 of the state's entire workforce. As such, the federal debt that Ohio incurred resulting in increased unemployment compensation fees to businesses was a significant burden on businesses in Southwest Ohio. The Cincinnati Chamber appreciates the action that you took earlier this year to eliminate Ohio's debt to the federal government and provide much needed relief to Cincinnati area businesses. This action saved businesses across the state roughly \$405 million, which included approximately \$81 million in Southwest Ohio alone. Thank you.

Resolving the immediate funding problem was critical. We are also pleased that this committee has convened to advance reforms to the system to prevent future insolvency. We thank you in advance for the hard work, research and difficult choices you will face in assuring that Ohio's unemployment compensation fund remains solvent and free from federal debt and penalties. The Cincinnati Chamber believes that any reforms that are pursued should look at both what is paid in by employers and what is paid out to beneficiaries. Finding an appropriate balance will ensure future solvency and solidify Ohio's status as a great place to do business.

The Chamber encourages action before the end of the year as it is imperative that Ohio's broken unemployment compensation system is fixed. It is important that this system is strong as we look forward to working together on innovative policies to spur development, grow businesses and attract jobs.

Thank you for your time and efforts on this important issue, and I am happy to take any questions that you may have.



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The voice of retail since 1922

TESTIMONY  
OF  
DOUG HOLMES  
PRESIDENT  
UWC – STRATEGIC SERVICES ON UNEMPLOYMENT  
& WORKERS' COMPENSATION

NOVEMBER 3, 2016

Chairman Peterson, Chairman Schuring, and members of the committee, thank you for the opportunity to testify before you today. My name is Doug Holmes and I am the President of UWC - Strategic Services on Unemployment & Workers' Compensation (UWC). I testified previously before the Insurance Committee of the House of Representatives on November 18, 2015 and on January 19, 2016.

UWC was established in 1933 and is a broad-based national association exclusively devoted to the issues of national unemployment insurance and workers' compensation public policy. I am here today to testify on behalf of The Ohio Manufacturers' Association, Ohio Chamber of Commerce, National Federation of Independent Businesses – Ohio, The Ohio Council of Retail Merchants, and the Ohio Farm Bureau.

First, permit me to thank the House and Senate in developing and enacting HB 390 to address the immediate need to avoid additional dramatic increases in the Federal Unemployment Tax for 2016 and 2017. This legislation was a very important first step to eliminate the outstanding federal loan debt and to set the stage for longer term solvency measures in anticipation of the next recession.

We appreciate the leadership of Representative Sears who started the conversation on Unemployment Insurance (UI) solvency reform, the House Insurance Committee and this committee in conducting a series of hearings and giving careful attention to UI solvency.

During my tenure with the Ohio Department of Job and Family Services and the Ohio Bureau of Employment Services from 1984 to 2005 I supervised or served directly as the Secretary of the Unemployment Compensation Advisory Council. During the span of 21 years the UCAC addressed many solvency challenges after recessions and in anticipation of the next recession.

I was involved in assisting the Ohio General Assembly and business and labor leaders in crafting successful responses to - or in anticipation of - the recessions of the early 1980s, 1992 and 2002. In all cases the legislative solution incorporated a balanced approach that included additional revenue and reductions in benefit payout.

The first step always included an assessment of the current status of the fund, the tax burden, and projections of what was needed to pay benefits. It is helpful at this point to take a look at the trust fund with updated information. With the enactment of HB 390 and an additional year of reduced benefit payout, the trust fund balance has improved, yet we are also one year closer to the next recession and the differential between contribution revenue and benefit payout on an annual basis. Additional solvency measures are clearly needed in order to produce a positive balance sufficient to withstand a recession without having to once again borrow from the federal unemployment account or secure some other financing.

According to the U.S. Department of Labor Quarterly Data Summary for the 2<sup>nd</sup> quarter of 2016, Ohio collected \$1.1 billion in revenue for the year ending June 30, 2016 and paid \$967 million in unemployment compensation. Assuming that the current trust fund balance after repayment of the outstanding Title XII loan is \$500 million, a net positive annual addition to the trust fund balance of just

\$130 million per year is clearly not sufficient to generate the balance needed to reach a minimum safe level under current law of \$2.7 billion or the even higher federal 1.0 Average High Cost Model level.

To get to a solvency level of \$2.7 billion at the current rate of recovery would take approximately 16 years and the next recession is likely much sooner than that. The options to generate that much additional revenue and/or reduction in benefits in such a short period of time are frankly distasteful as a matter of policy and can significantly impact employers, unemployed workers and the Ohio economy.

HB 394 included significant tax and benefit measures in recognition of the size of the problem to be solved and borrowed from solvency measures in other states that had been successful. Each state, however, is different, with a different industrial mix and employment base.

Ohio is not the only state that is still not prepared for the next recession. As we meet today, seven years after the end of the recession of 2008-09, the country is still recovering, and unemployment insurance trust fund balances in most states are not sufficient to withstand a reasonably foreseeable recession. As of the second quarter of 2016, only 17 states had unemployment trust fund balances that met or exceeded the U.S. Department of Labor suggested solvency level, but all of them are smaller states – the largest being the state of Washington. None of the top 11 largest industrialized states meet the 1.0 AHCM solvency guideline and are unlikely to reach that level.

California	\$3.1 billion outstanding Title XII debt
New York	0.04
Pennsylvania	Outstanding Bond debt
Illinois	Outstanding Bond debt
Ohio	Recently paid off Title XII debt -- outstanding state loan to be repaid in 2017
Michigan	Outstanding Bond debt
Florida	0.88
Texas	Outstanding Bond debt
Massachusetts	0.27
New Jersey	0.33
North Carolina	0.57

The only large states approaching a 1.0 AHCM are the states that took dramatic steps to reduce unemployment compensation benefit payout: Florida and North Carolina.

As a practical matter, a review over a period of decades shows that larger states have chosen not to require trust fund balances of 1.0 AHCM because the increased tax burden to reach that level would

place them at a competitive disadvantage with other industrialized states and the world market. A review of Ohio's unemployment trust fund history shows that a trust fund balance of between 0.6 and 0.7 times AHCM was sufficient to withstand the recessions in the early 1990s and 2002.

Increasing taxes at rates that are greater than competing states in order to reach 1.0 AHCM will impact the cost to Ohio employers of hiring new employees and could result in the loss of new employers who choose to locate in lower tax states.

Although steps taken in HB 390 improved the immediate unemployment trust fund balance, Ohio is still among the least solvent states in the country. Only California and the Virgin Islands have outstanding federal loan balances.

Many states with outstanding federal loan debt due to the 2008 recession took action to improve trust fund solvency in order to avoid the imposition of federal tax increases and to improve solvency in anticipation of the next recession. The responses included reductions in benefit payout, improved integrity, increased state tax bases and rates, state loans and appropriations, private bank loans and revenue bonds.

Ohio's long term imbalance is driven principally by 1) maximum weekly benefit amounts that are higher than the national average and higher than most surrounding states, 2) the automatic increase in the maximum weekly benefit amount tied to increases in the statewide average weekly wage, 3) the availability of up to 26 weeks of unemployment compensation, and 4) a relatively low tax base. Ohio's tax base at \$9,000 is below the national average and slightly below tax bases in surrounding states. There are also a number of claims eligibility and integrity measures that could improve the solvency of the fund. Measures to improve the effective collection of overpayments and prosecution of fraud are available.

Clearly, it is imperative that Ohio take steps to improve the solvency of its unemployment trust to better align benefits and contributions, and build a significant balance in the state's trust fund before the next recession. Although the state may be later in the economic cycle than other states to act, choosing not to address state trust fund solvency in advance of the next recession risks that the trust fund will become depleted requiring the state to borrow and the state or employers to pay interest on federal loans or opt to enact bond authority and pay debt service. In the second year of an outstanding federal debt the FUTA tax increases that were just eliminated through the enactment of HB 390 would once again begin to increase until federal loan balances were paid off.

A number of measures should be considered in developing the solvency package. Based on best practices from other states, below are options to consider.

#### **1. Freeze and/or Limit Maximum Weekly Benefit Amounts**

Limitations on increases in the Maximum Weekly Benefit Amount to be provided are commonly imposed as one of the possible solvency measures. Ohio enacted limitations as part of solvency measures in response to the recession of the late 1970s and early 1980s. Many states have automatic



increases in maximum weekly benefit amounts tied to the statewide average weekly wage, but 18 states have specific dollar maximums that do not automatically go up with the state average weekly wage. The automatic increase in maximum weekly benefit amounts is a significant cost driver for the UI system and contributed to Ohio's current insolvency.

Freezing maximum weekly benefit dollar amounts or limiting the maximum to a lower percentage of the statewide average weekly wage for new applications filed for weeks beginning on and after January 1, 2018 would reduce benefit payout and can be modeled to project savings. The 50% of Statewide Average Weekly Wage (SAWW) is already generally the maximum amount for claimants, except higher wage earners who have dependents. By applying a freeze or a 50% of SAWW limitation to new applications filed for weeks beginning on or after January 1, 2018, no current claimants would see a reduction in weekly benefit amount through the end of their current benefit years.

#### **2. Repeal Higher Maximum Benefit Amounts for High Wage Claimants with Dependents**

Ohio is one of only 14 states that has some form of dependency provision which increases the weekly benefit amount that is provided to claimants with dependents. Unlike most of the 14 states, Ohio law only provides for higher maximum benefit amounts for those who have average weekly wages during their base periods that are higher than the statewide average weekly wage.

The dependency provision is not required by federal law, no additional administrative funding is provided for the staff needed to determine the various classifications of dependency, and the time taken for dependency determinations makes it more difficult to determine eligibility within the expedited time frame expected for UI claims.

The repeal of this provision will save benefit payout, simplify administration, and will not impact low wage claimants.

#### **3. Increase the State Unemployment Tax Base Effective January 1, 2018**

An increase in the state unemployment tax base to \$11,000 from \$9,000 would be consistent with the trend in other states addressing solvency and produce dedicated additional revenue to improve the solvency of the unemployment trust. This increase of 22% in tax base will place Ohio's tax base higher than all surrounding states except West Virginia.

Raising the tax base even higher may raise additional revenue but would put Ohio at a disadvantage in attracting new business and keeping existing employers from moving to lower cost states.

#### **4. Set a Reasonable Minimum Safe Level for the UI Trust Fund**

Although the U.S. Department of Labor Guideline recommends a positive balance of 1.0 Average High Cost Multiple (AHCM), the tax increases and/or benefit reductions required to meet this level would place Ohio at a disadvantage in attracting new employers and retaining existing Ohio businesses and the increases in tax and/or cuts in benefits would be too great before the beginning of the next recession. A review of the history of the trust fund demonstrates that a minimum safe level set under current law

was sufficient to respond to a reasonably foreseeable recession. In the event of a much larger recession, Ohio and the other larger industrial states would all respond with significant measures as necessary to finance benefits. There is a need to build a significant balance in preparation for the next recession; however, building excessive balances through state UI tax increases takes money away from investment in job creation by employers.

At this point in the economic cycle I recommend gradual increases in tax base and reductions in benefit eligibility, with careful ongoing review of the trust fund balance and the status of the trust fund. It is unlikely that the state will be able to avoid borrowing to pay benefits as a result of a significant recession. Additional adjustments may be needed in response to the next recession.

#### 5. Adjust the Range of the Number of Potential Weeks of Unemployment Compensation

In response to the Great Recession many states enacted changes to the number of potential weeks of unemployment compensation that would be available to individuals filing for unemployment compensation and a number of states tied the number of potential weeks of benefits to the state unemployment rate.

Michigan	20 weeks
Missouri	20 weeks
Kansas	16-26 weeks depending on total unemployment rate
Arkansas	25 weeks
Florida	12-23 depending on total unemployment rate
Georgia	14-20 depending on total unemployment rate
North Carolina	12-20 depending on total unemployment rate
South Carolina	20 weeks

Current Ohio law uses a sliding scale of the number of weeks based on the number of base period qualifying weeks from 20 to 26. Because a qualifying week is any week with respect to which wages are paid or earned the percentage of claimants with fewer potential weeks of less than 26 is very small.

A change in the determination of the total number of weeks potentially available twice a year based on the state seasonally adjusted three month total unemployment rate before January and July would be consistent with changes made in other states tied to the total unemployment rate. A sliding scale which sets the number from as low as 12 weeks when the rate is 5.5% or below up to 20 weeks if the rate is 9% or higher would follow the practice established in North Carolina. Experience with other states adopting these sliding scales has shown a significant reduction in benefit payout and a reduction in the average duration of unemployment. Such a provision would more quickly align benefit payments with contribution revenue and assist in building a positive balance in the unemployment trust fund.

A change similar to Michigan, Missouri and South Carolina would be to set a single maximum at 20 weeks. Such a provision would reduce benefit payments to some degree without impacting the majority of claimants. The average duration of unemployment compensation in Ohio as of the 2<sup>nd</sup> quarter of 2016 was 14.5 weeks.

#### **6. Consider Exempting Unemployment Compensation from State Income Tax**

Unemployment compensation is not uniformly subject to state income tax. The policy underpinning for states choosing not to subject unemployment compensation to taxation is that the payments are not being made to individuals for services performed and that to subject them to taxation would reduce their value as temporary wage replacement while individuals were unemployed and searching for work.

Although federal law requires that unemployment compensation be treated as income and states generally follow federal law in defining that which is subject to taxation as income, some states elected not to tax unemployment compensation as income under state law.

According to a Tax Foundation study, of the 41 states that tax wage income, 5 states completely exempt unemployment benefits from tax (California, New Jersey, Oregon, Pennsylvania, and Virginia). Two states partially exempt a fixed dollar amount of benefits from state income tax but tax the rest.

An amendment to provide that state unemployment compensation is not taxable as income under state law would increase the wage replacement value of the benefits without negatively impacting the state unemployment trust fund.

There would be some additional administrative expense associated with the different treatment for state income tax purposes and there could be an impact on state revenue; however, it would also reduce the impact in net benefits that otherwise may be imposed in solvency measures.

#### **7. Improve Overpayment Collection**

Current law requires that non-fraud overpayment determinations must be made within three years after the end of the benefit year in which benefits were claimed. This period is shorter than many other states, restricting agencies from determining overpayments to be collected. A period to six years would be more consistent with best practices in other states.

Current law requires that if non-fraud overpayment amounts are not repaid or recovered within three years from the date of the director's order becoming final, the agency shall initiate no further action to collect the overpaid benefits and cancel the amounts not recovered.

This three year limitation restricts overpayment collection, particularly when the agency is able to locate the individual and finds that the individual is once again claiming unemployment compensation and/or has significant resources with which to make repayment.

Removing the artificial time frame for collection in favor of discretion by ODJFS to use best practices in collection enables more effective overpayment identification and collection. It will reduce the amount of overpayments that should not have been written off and improve the solvency of the UI Trust Fund.

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A review of the annual Mutualized Account report for the period ending June 30, 2015 shows that approximately \$6 million in uncollected benefit overpayments were written off. Permitting ODJFS to extend the period of collection would reduce the annual write off and improve trust fund solvency.

**8. Eliminate Double Payment Of Wage Replacement When Unemployment Compensation is Claimed for the Same Week as Workers' Compensation Total Disability and/or Social Security Disability**

To be eligible to be paid unemployment compensation under federal law an individual must be able to work, available to work and actively seeking work during each week that he or she claims unemployment compensation. Despite this requirement, individuals who have been determined unable to work for a week or weeks for purposes of workers' compensation or Social Security Disability have been found to claim all of these benefits for the same week, resulting in some cases in more in wage replacement than the wages to be replaced. This can result in discouraging individuals from recovering from disabilities and seeking work. It also unduly costs the UI trust fund.

A requirement that no individual may be paid unemployment compensation for a week if the individual was determined not to be able to work for that week for purposes of workers' compensation or Social Security Disability Insurance not only encourages individuals to recover and seek work but also reduces the unnecessary payment of benefits from the UI trust fund.

To the extent that individuals may be partially disabled and still able to work, consideration may be given to permit them to claim unemployment compensation reduced by workers' compensation and disability payments that may be allocated to weeks of unemployment compensation claimed.

**9. Require Sustained Workforce Attachment to Qualify for Benefits**

Many states require that individuals have a significant attachment to the workforce with employment in multiple quarters of the base period. Most states, including Ohio, have an alternative base period (ABP) provision that enables more individuals to qualify to establish benefit rights and/or uses the most recent quarterly wages in determining whether an individual is eligible to establish a benefit year in which the individual may be paid unemployment compensation for weeks claimed.

The ABP provisions generally were enacted in recognition that in some cases individuals had more recent work prior to becoming unemployed that was not captured in states that used the first four of the most recently completed calendar quarters. In Ohio, if the number of qualifying weeks and/or wages paid in the four quarter period is not sufficient to qualify for benefit rights the agency will review the most recently completed four quarters prior to the filing of the application for benefits by the individual in determining eligibility.

Ohio enacted its ABP provision in the late 1980s in response to concerns expressed by workers, particularly in the construction industry, in recognition that work in the industry may fluctuate from quarter to quarter and that capturing more recent employment in these cases would be more representative of the individual work history immediately prior to an individual becoming unemployed.

For example, a "regular" base period for an individual filing an application in November would be the four quarters ending June of 2016. If the individual did not have sufficient weeks or wages in that period the agency would examine the weeks and wages in the most recently completed four calendar quarters (the four quarters ending September 30<sup>th</sup>).

The effect of the ABP generally is to qualify more individuals for unemployment compensation and has the effect of increasing the average weekly benefit amounts of those who qualify because of more recent wage information.

A requirement that an individual have wages (earn remuneration) in at least two of the most recently completed three calendar quarters in the individual's base period, whether it is the regular or alternative base period, would ensure that there is a recent significant attachment to the workforce as part of the determination to qualify to establish benefit rights. Such a provision would have minimal impact on whether an individual had sufficient weeks or wages in the regular or alternative base period.

Another option in many states is to require that a certain amount of wages or a percentage of base period wages be earned outside the high quarter. Pennsylvania, for example, has required that an individual have worked at least 18 weeks in his or her base period and have at least 49.5% of base period earnings in other than the high quarter. Indiana requires that an individual have wages of at least \$2,500 in the last two quarters.

#### **10. Enhance Fraud Penalties, Prosecution, and Overpayment Collection**

The current law requires that if ODJFS finds fraudulent misrepresentation by an applicant for unemployment compensation that the director shall reject or cancel the applicant's entire weekly claim for benefits that was fraudulently claimed or the entire benefit rights if the fraud was in connection with the application; however, the authority to make such determinations is limited to four years after the end of the benefit year in which the fraudulent misrepresentation was made.

Removing the limitation within which the fraudulent determinations may be made and giving broader discretion to ODJFS would assist in the identification and prosecution of fraudulent claims.

The current law requires that if there is misrepresentation in the determination of benefit rights ODJFS shall impose two penalty weeks to be canceled for payment for each week of fraud. The penalty applies for six years after the discovery of the misrepresentation.

This specific time limitation for the imposition of the penalty weeks should be amended to remove the statutory six year limitation on the period of time for administrative or legal proceedings for the collection of fraudulently claimed benefits or interest due on such benefits. The provision requiring that such amounts not be filed as liens and be canceled as uncollectible should also be deleted.

These integrity provisions will enable a more active and sustained collection effort, including greater coordination with the IRS through the Treasury Offset Program under which uncollected benefit amounts may be collected through offset against federal income tax refunds. The provisions will also enable the agency to be more aggressive in prosecution of fraud.

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**11. Deny Benefit Payments for a Week when a Claimant Cannot Verify that the Claimant Continues to be Unemployed after Additional Employment**

Ohio currently requires that an individual serve a waiting week in establishing benefit rights and claiming the first week during his or her benefit year. A similar waiting week is not currently required when an individual returns to work full time during his or her benefit year after claiming weeks of unemployment compensation. The reporting of additional employment or an extended period during an individual's benefit in which the claimant does not claim benefits may raise an issue for review by the agency to determine whether the individual continues to be unemployed so as to be eligible to be paid unemployment compensation for subsequent weeks.

The imposition of a waiting week to be served after a break in claiming benefits of three consecutive weeks during his benefit year before claiming subsequent weeks of unemployment compensation would assist in reducing the number of individuals who are employed full time while claiming unemployment compensation and assist in identifying fraud and identity theft earlier during the benefit year.

Another alternative to address this issue may be to require individuals who do not have a return to work date and fail to file claims for benefits for three consecutive weeks to report to the UI agency as a condition of being paid unemployment compensation for the ensuing week. This would still provide a vehicle to identify fraud and identity theft while enabling individuals who continue to be unemployed to receive compensation.

**12. Clarify Labor Dispute Disqualification Provisions**

Individuals who participate in labor disputes in which they withhold their labor pending the outcome of a dispute with their employer are generally disqualified from unemployment compensation as they have voluntarily made themselves unavailable for work. The labor dispute disqualification typically is applied for any weeks for which the unemployment of the individual is due to the labor dispute.

Ohio is among a small number of states in which the statute and case law provide a constructive "lock out" exception. Case law in Ohio has created the theory of constructive lock out in which courts review the negotiations between employers and unions to determine which party took steps to effectively cause the unemployment. Did the employer insist on its final proposal and notify employees that they were permanently replaced? Did the union bargain in good faith and assure that bargaining unit members were at all times willing to return to work under the terms of employment pending final agreement?

The result of "constructive" lock out case law construing the statute has been that individuals participating in labor disputes that otherwise would be disqualified have been paid benefits. Statutory language that would more specifically define "lock out" to mean the physical denial of entry by an employer to a factory, establishment, or other premises would be helpful in clarifying when the labor dispute denial would not apply. It would also be helpful to adopt in statute the case law standard that a "lock out" does not include an employer taking reasonable steps to secure and protect a factory, establishment, or other premises from sabotage.

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### **13. Provide Clarification of the Standard to Determine Just Cause for Termination**

Ohio Supreme Court case law has established the precedent that if an individual is not suitable for a position because the individual did not perform the work required, the employer made known the employer's expectations at the time of hiring, and the expectations were reasonable and did not change since hiring, the individual is at fault and may be discharged for just cause and be disqualified from benefits. This standard is not well known, resulting in inconsistent application of the law.

A clear statement of this standard is needed. Also, a clear codification of policy is needed to state that it is just cause to terminate individuals from employment when they violate the terms of an employee handbook provided to them as part of the terms or conditions of employment.

An individual who is absent from work for a period of three consecutive work days without notifying the employer should be considered to have quit work without just cause. This is consistent with general policy concerning job abandonment. Codification of all of these provisions will be helpful in providing notice to employers and employees about the standards to be applied.

### **14. Clarify Work Search Requirements**

Claimants are required to be actively seeking work as a condition of being eligible for unemployment compensation and they must accept work offered. However, federal law requires that an individual not be disqualified for refusal to accept new work if it is not in the local area.

The administration of this provision is difficult given the different travel expectations for jobs that are available to claimants. Specific authority to ODJFS to adopt rules to define "unreasonable distance" and "locality" would be helpful.

### **15. Avoid Paying More in Unemployment than an Individual Earned in Wages**

Federal law and current state law require that there be a reduction in the weekly benefit amount payable to a claimant for periodic Social Security payments. Federal law also, however, permits states to limit the reduction if a claimant made a contribution to social security and is receiving a retirement payment.

The current law results in some individuals receiving nearly as much or more in the combined UI wage replacement and social security retirement benefits than their average weekly wage during the base period.

A review of Ohio's current provision which provides for no offset should be reviewed as part of the examination of measures to improve UI trust fund solvency.

### **16. Reduce the New Employer Tax Rate to Attract New Business**

Federal law permits states to provide for a 1.0% new employer rate. A number of states have included this low new employer rate, other than for employers in the construction industry, as part of efforts to attract new employers to the state. A 1.0% new employer rate was recently adopted in North Carolina.

The average unemployment tax rate for employers in the construction industry is typically higher than the general average unemployment tax rate. Excluding the construction industry avoids the potential that out of state contractors who are new to the state may underbid existing construction contractors in the state due to the reduced new employer tax rate.

Although enacting this provision would reduce revenue to some degree from new employers, over the long term this provision may increase revenue if it enables the state to attract new employers who would otherwise not be operating in Ohio.

#### **Coordination with HB 390**

With the enactment of HB 390 to provide funding to pay off the remaining federal loan it was recognized that provisions in the Act would be amended with the enactment of longer term solvency legislation.

Section 4141.25 (B) (7) (a) should be amended to provide that the imposition of increased contribution rates in the event that the trust fund has a remaining balance due in Title XII loan amounts as of the computation are to be determined only for the following calendar year and that this review and determination should be made by the Director of ODJFS each year as of the computation date at a rate sufficient to pay off the balance prior to November 10<sup>th</sup> of the following year. The current language would require that the rate increase determination continue after the computation date until the earlier of the principal on any outstanding balance is eliminated or the director determining that the total credits allowable against the FUTA tax would be fully reduced for that calendar year. The amount of the rate increase and the timing of its imposition and termination should be amended to be more specific and consistent with the normal contribution rate determination and effective date processes.

Section 4141.25 (B) (8) should also be amended to provide that the additional contributions required by divisions (B) (6) and (B) (7), if any, should be credited to individual employer accounts instead of 50% to the mutualized account and 50% to individual employer accounts. The mutualized account balance is currently very high and additional credits are not needed for the account.

The new Section 4141.251 (D) should be amended to assure that in the event that an employer makes a payment that is insufficient to pay the amount of contributions due and the amount of the surcharge to pay interest that the partial payment be first applied to the employer's individual account, followed by the mutualized account and then to pay the surcharge. This amendment will assure that a federal issue is not raised with respect to amounts received being immediately deposited in the state unemployment trust fund.

#### **Conclusion**

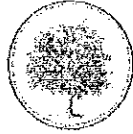
There has been considerable testimony raising issues with various provisions of HB 394, and modifications to the language of that bill as introduced and in substitute form should be considered in finalizing legislation to address solvency. Amendments to address provisions in HB 390 should also be considered in finalizing the legislation. The need for comprehensive UI solvency now is greater than ever



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as we approach the likelihood of an economic downturn in the near term. Significant solvency measures are required with respect to benefit pay-out, contributions to be paid and integrity.

We urge this committee to finalize its deliberations and proceed with solvency legislation.



# THE BUCKEYE INSTITUTE

## **Interested Party Testimony Submitted to the Unemployment Compensation Reform Joint Committee**

**November 3, 2016**

**Greg R. Lawson, Senior Policy Analyst  
The Buckeye Institute for Public Policy Solutions**

Thank you Chairmen Peterson and Schuring and members of the Committee for the opportunity to testify today regarding reforms to Ohio's unemployment compensation system. My name is Greg R. Lawson. I am the Senior Policy Analyst at The Buckeye Institute for Public Policy Solutions, a free market think tank that believes low taxes and limited government regulations will lead to a more prosperous Ohio.

This committee has heard a great deal of testimony on the intricacies of unemployment compensation (UC) and the legislative reforms intended to address it. It is important, however, to consider this UC reform effort in the broader context of Ohio's economy.

For over half a century, Ohio has lagged behind the national average in job creation. More recently, the decade that opened the 21<sup>st</sup> century was economically disastrous for the Buckeye State. Ohio has not yet rebounded fully from the tech bubble burst in the early 2000s and is still down over 100,000 private sector jobs from March 2000.<sup>1</sup> Between 2000 and 2010, Ohio lost nearly 620,000 private sector jobs, more than any state in the country—except Michigan.<sup>2</sup> And with the exception of Central Ohio, the state remains mired in a lackluster economy unable to create new jobs anywhere near the national average. As a result, the state's labor force participation rate remains relatively low—just 62.6 percent in September.<sup>3</sup> This is three-tenths of a percent lower than the national participation rate and signals that although Ohio's job market is no longer in triage, it still has a long road to a healthy recovery.<sup>4</sup>

<sup>1</sup> The Buckeye Institute, "Ohio by the Numbers -- November, 2015," The Buckeye Institute, accessed January 27, 2016, <http://buckeyeinstitute.org/uploads/files/ObN-2015-11.pdf>

<sup>2</sup> *Ibid.*

<sup>3</sup> Ohio Department of Job and Family Services, "Employment Situation Indicators for Ohio, September, 2016," Ohio Department of Job and Family Services, accessed October 24, 2016, [http://jfs.ohio.gov/RELEASES/unemp/201610/Ohio-US\\_EmploymentSituation.stmES/unemp/201601/Ohio-US\\_EmploymentSituation.stm](http://jfs.ohio.gov/RELEASES/unemp/201610/Ohio-US_EmploymentSituation.stmES/unemp/201601/Ohio-US_EmploymentSituation.stm).

<sup>4</sup> Ohio Department of Job and Family Services, "Ohio and U.S. Employment Situation- Seasonally Adjusted," Ohio Department of Job and Family Services, accessed October 24, 2016, <http://jfs.ohio.gov/RELEASES/unemp/201610/index.stm>.

To build and maintain a strong economy, Ohio needs as its cornerstone a strong private sector that creates jobs—jobs that reward people for their hard work and offer them viable paths to financial security and prosperity. A responsive and responsible UC system can and should be part of rebuilding Ohio's economic structure by offering a "safety springboard" for Ohioans who can work, but need time to transition from job-loss back to the workforce. In this way, unemployment compensation should act as an insurance policy designed to mitigate the risk of temporary unemployment, but also gives individuals the appropriate incentives to seek and quickly find reemployment.

Unfortunately, most UC systems—including Ohio's—rely on funding mechanisms and taxes that have the perverse effect of making it harder for employers to expand their workforce and raise employee wages. As President Reagan once said, "If you want less of something, tax it." By confronting employers with higher tax rates on larger taxable wage bases—as some opponents of reform have recommended—Ohio risks stagnating and diminishing wage growth<sup>5</sup> and fewer new jobs. Money that employers otherwise could use to enhance their workforces is siphoned off to pay the tax bill,<sup>6</sup> so although it may look like employers fund Ohio's UC benefits, the employees ultimately bear the burden of the program.<sup>7</sup> Thus, when reform opponents call for higher taxes on employers and taxable wage-base expansions,<sup>8</sup> they unwittingly ask the General Assembly to sacrifice job- and wage-growth in exchange for what

<sup>5</sup> John M. Barron, R. Preston McAfee, Paul J. Speaker, "Unemployment Insurance and the Entitlement Effect: A Tax Incidence Approach," *International Economic Review*, Volume 27, Issue 1 (Feb., 1986), 175-185, accessed January 27, 2016,

[https://www.researchgate.net/publication/5109550\\_Unemployment\\_Insurance\\_and\\_the\\_Entitlement\\_Effect\\_A\\_Tax\\_Incidence\\_Approach](https://www.researchgate.net/publication/5109550_Unemployment_Insurance_and_the_Entitlement_Effect_A_Tax_Incidence_Approach).

<sup>6</sup> Deerga Raj Adhikari, Lynn Gray, Jackie Burns, "Effect of Unemployment Insurance Tax on Wages and Employment: A Partial Equilibrium Analysis," *Applied Economics Letters*, Volume 16, Issue 3 (2009), [https://www.ok.gov/oesc\\_web/documents/ImiEfctOfUnemplns.pdf](https://www.ok.gov/oesc_web/documents/ImiEfctOfUnemplns.pdf).

<sup>7</sup> Stephen J. Entin, "Tax Incidence, Tax Burden and Tax Shifting: Who Really pays the Tax?" The Heritage Foundation, November 5, 2004, <http://www.heritage.org/research/reports/2004/11/tax-incidence-tax-burden-and-tax-shifting-who-really-pays-the-tax>.

<sup>8</sup> Zach Schiller, "How Ohio Has Underfunded Unemployment Compensation," *Policy Matters Ohio*, November 24, 2014, <http://www.policymattersohio.org/2014uc>.

should be a temporary unemployment insurance policy. That is not a trade-off that builds a sound economy.

Instead of simply raising taxes on employers that will inevitably punish employees, UC reforms should focus on accomplishing three essential tasks.

- 1) **Keep Control in Ohio, Not Washington.** Ohio has wisely retired its debt to the Federal government in order to reduce the Federal unemployment tax (FUTA). Regaining full state control over Ohio's UC system will help ensure that all Ohio employers are treated fairly and according to their actual experience rating.
- 2) **Help Workers Get to Work.** Unemployment compensation reforms should be designed to help prospective workers return to gainful employment as quickly as possible. Research shows that the longer unemployment compensation is offered, the longer workers tend to remain unemployed.<sup>9</sup> Even President Obama's former Chairman of the Council of Economic Advisors, Alan Krueger, has acknowledged this tendency: *"The empirical work on unemployment insurance (UI) and workers' compensation (WC) insurance finds that the programs tend to increase the length of time employees spend out of work."*<sup>10</sup> In some cases, out-of-work individuals will go right up to the designated benefit week limit while seeking jobs they would prefer over

<sup>9</sup> George C. Leef, "Unemployment Compensation: The Case for a Free Market Solution," *Regulation*, Winter 1998, accessed January 28, 2016, <http://object.cato.org/sites/cato.org/files/serials/files/regulation/1998/1/21-1f1.pdf>; Chris Edwards, "Emergency UI Benefits: Reasons Against," *The Cato Institute*, January 3, 2014, <http://www.cato.org/blog/emergency-ui-benefits-reasons-against>; Manuel Arellano, Samuel Bentolila, Olympia Bover, "Unemployment Duration, Benefit Duration, and the Business Cycle," *The Economic Journal*, Volume 112 (April 2002), 223-265, accessed October 27, 2016, [https://www.researchgate.net/publication/4750977\\_Unemployment\\_Duration\\_Benefit\\_Duration\\_and\\_the\\_Business\\_Cycle](https://www.researchgate.net/publication/4750977_Unemployment_Duration_Benefit_Duration_and_the_Business_Cycle); Lawrence F. Katz and Bruce D. Meyer, "The Impact of the Potential Duration of Unemployment Benefits on the Duration of Unemployment," *National Bureau of Economic Research*, October 1988, <http://www.nber.org/papers/w2741>.

<sup>10</sup> Alan B. Krueger and Bruce D. Meyer, "Labor Supply Effects of Social Insurance," *National Bureau of Economic Research*, June 2002, <http://www.nber.org/papers/w9014.pdf>; Alan B. Krueger and Andreas Mueller, "Job Search and Unemployment Insurance: New Evidence from Time Use Data," *Institute for the Study of Labor*, August 2008, [ftp://ftp.iza.org/SSRN/pdf/dp3667.pdf](http://ftp.iza.org/SSRN/pdf/dp3667.pdf).

jobs that are available.<sup>11</sup> This is understandable, of course, but it costs the system and corporate taxpayers money, and negatively affects wages and job creation. To help counter the natural tendency to milk the system, policy-makers should consider implementing a sliding scale of benefit weeks in order to help move the unemployed back into the labor force.

- 3) **Limit Cross-subsidization.** Ohio's UC system should adopt reforms that will better calibrate the experience rating under state unemployment tax (SUTA) in order to reduce the current cross-subsidization of high-turnover employers. In its current configuration, some level of cross-subsidization is unavoidable, but a better calibration of the experience rating along with fewer caps for employers with high turnover will help minimize costs for most employers.<sup>12</sup> It may be tempting to think of such reforms as tax increases, but that would be a misleading over-simplification. Instead, think of limiting cross-subsidization as a type of user-fee—the more one uses a service, in this case accessing UC benefits, the more one typically pays.

It is critical to get reform measures for a system of this magnitude right. Indiscriminately hiking SUTA taxes or expanding the tax base will only dampen prospective job-growth. Slower job-growth harms all Ohioans—as it has now for decades—but it harms some communities more than others. In particular, fewer job prospects and slower growth tend to disproportionately harm Ohio's African-American communities.

Nationally, the unemployment rate among African-Americans remains much higher than among other demographics. According to the Bureau of Labor Statistics, the unemployment rate last month was 8.3 percent for African-Americans compared to 4.4 percent for whites.<sup>13</sup> Similarly,

<sup>11</sup> James Sherk, "Improving Labor Market Calls for Reducing Unemployment Duration," The Heritage Foundation, February 16, 2012, <http://www.heritage.org/research/reports/2012/02/ui-benefits-reduce-unemployment-insurance-duration>.

<sup>12</sup> Joseph Henchman, "Unemployment Insurance Taxes: Options for Program Design and Insolvent Trust Funds," The Tax Foundation, October 17, 2011, <http://taxfoundation.org/article/unemployment-insurance-taxes-options-program-design-and-insolvent-trust-funds>.

<sup>13</sup> Bureau of Labor Statistics, "Table A-2. Employment Status of Civilian Population by Race, Sex, and Age," U.S. Department of Labor, accessed October 24, 2016, <http://www.bls.gov/news.release/empsit.t02.htm>

unemployment confronts a staggering 27.2 percent of young African-Americans between 16 and 19, and 14.2 percent of young whites.<sup>14</sup>

As the debate over specific UC reforms continues, it is important to consider whether a more free-market approach might better address the needs of a fluid, 21<sup>st</sup> century labor market. Perhaps the stale, bureaucratic redistributive system has had its day and it is time for a change. Perhaps, for example, individuals should be able to set aside money in case of unemployment. Perhaps those same individuals should be permitted to draw down money from their own accounts while they seek jobs that suit their skillsets. And, perhaps, they should be able to convert unused benefits into savings so that they are better prepared for retirement in this increasingly turbulent job market.

Other countries, in fact, have tried and tested these free market ideas with great success. Chile, for instance, has a far more free market UC system<sup>15</sup> that permits personal unemployment accounts—jointly funded by employers and employees—and gives employees the ability to use any unused balances during their retirement.<sup>16</sup> Such a system gives employees “skin in the game,” which gives them a powerful incentive to find jobs faster and re-enter the workforce sooner when money that they might otherwise spend in retirement is drawn down during temporary unemployment.<sup>17</sup>

Giving employees “skin in the game” by allowing them to contribute directly to the UC system, however, will only work in a substantially reformed UC system. Such incentives created in an unreformed, non-personalized UC system—such as Ohio’s—will inevitably lead to severe political pressure to raise benefits and drain funding. And that pressure ultimately leads to tax increases and fewer jobs.

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<sup>14</sup> *Ibid.*

<sup>15</sup> William B. Conerly, PhD. “Chile Leads the Way with Individual Unemployment Accounts,” National Center for Policy Analysis, November 12, 2002, <http://www.ncpa.org/pdfs/ba424.pdf>.

<sup>16</sup> *Ibid.*

<sup>17</sup> Gozalo Reyes, Jan van Ours, Milan Vodopivec, “Incentive Effects of Unemployment Insurance Savings Accounts: Evidence from Chile,” VoxEU, February 9, 2010, <http://www.voxeu.org/article/effects-unemployment-insurance-savings-accounts-new-insights-chile>

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The primary reforms found in legislation this committee has been examining take reasonable, responsible first steps toward a better economic landscape. They are certainly more growth-oriented than alternative proposals that would simply hike corporate taxes without any significant benefit modifications. But the kind of small-scale reforms contemplated there will not solve Ohio's persistent inability to generate job- and wage-growth across the state. To address that challenge, Ohio needs a long-term rethinking of the UC system in order to free her businesses from the current, failed system and give Ohio workers more incentive to pursue job prospects while saving for the future.

Thank you for your time and I welcome any questions that the Committee may have.



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## **Unemployment Compensation Reform Joint Committee**

**November 3, 2016**

**IBEW 683**

Chairman Schuring, Chairman Peterson and Joint Committee Members,

My name is Dennis Nicodemus. I am the President of the International Brotherhood of Electrical Workers Local Union 683 here in Columbus and represent approximately 1,800 working men and women. Most of our members work in the construction industry.

I am testifying today on Unemployment Compensation not only for my Union Members, but for all workers. I am urging you to reconsider the harmful proposal put forth by Representative Barbara Sears as written. House Bill 394 will harm the same workers who build our buildings, highways and infrastructure.

Working men and women do not have any control over the economy, the process for their employer's ability to successfully acquire jobs, or their employer's decision on who gets laid off and who doesn't. Construction work can be cancelled and/or be put on hold at any time and for any reason. The weather can be a huge factor in layoff decisions, and we live in Ohio, where we can see spring, summer, fall and winter in a single day! Once again this is completely out of the workers hands- and to put the entire burden on us is wrong.

Workers must rely on Unemployment Compensation benefits to get through these tough times. Requiring a worker to work three quarters of the year, instead of 20 weeks, to qualify for the proposed 12 weeks, of Unemployment Benefits, instead of the current necessary 26 weeks, will be devastating in the leaner times. Also, a worker not being able to claim their dependents will definitely affect their ability to keep their family fed, clothed and in their homes until that next job opportunity comes along. I have seen good workers who do all of the right things, lose everything they worked so hard for because of periods of unemployment like the 2008/2009 recession. This includes their marriage, homes, cars, and I saw whole families lives destroyed. The proposal that Representative Sears put forward would just exacerbate these things. I know this General Assembly does not want to see this happen as it is wrong for the State of Ohio.

Please, going forward, remember that workers just want to get back to work with a good job and a steady paycheck. In my time in the workforce and as a union representative, I have not had anyone tell me they would rather be on unemployment Compensation rather than working for their paycheck. I represent one of the proudest workforces in the entire nation, and again-

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WE JUST WANT TO WORK. Unfortunately, in my industry, that sometimes isn't possible all year round.

I thank you for your time and consideration, and I look forward to any questions you may have.

Dennis Nicodemus  
President,  
International Brotherhood of Electrical Workers  
Local Union #683  
(614)294-4786  
dnicodemus@ibew683.org

Unemployment Compensation Reform Joint Committee

Eric Parsley

International Association of Heat and Frost Insulators and Allied workers

November 3rd

Good afternoon Chairman Schuring, Chairman Peterson and all members of the Unemployment Compensation Reform Joint Committee. I would like to thank you for this opportunity to testify today. My name is Eric Parsley and I am a member of the International Association of Heat and Frost Insulators and Allied workers. My Local union currently has jurisdiction over 33 counties in Ohio and represents close to 200 working families. I am presently serving my second term as the President of Local 50 Columbus/Dayton, Ohio. I am here today to give testimony that reflects what it is like to live with unemployment insurance.

I am a 1987 graduate of Nelsonville-York High School and a 1992 graduate of The Ohio State University, with a double major in Psychology and Economics. I worked in the retail clothing world for three years before I spent the next six years working in my field of study at the United Methodist Children's Home in Worthington, Ohio. During my last year at the children's home I decided to follow the encouragement of a friend and I began insulating in November of 1999.

I worked as a commercial worker for 10 months and became an apprentice the following Fall. I bought my first home in February of 2003 and received my Journeyman card in September of that same year. I felt like I had finally found my niche. Shortly thereafter I also received my first layoff on Wednesday, December 31, 2003- A humbling event to say the least. This was a defining moment for me as a union insulator because the next call I made was to my union hall in search of another job with a new contractor. At that time the union had five signatory contractors to provide work for our members. I contacted all of them and none were hiring.

I filed for unemployment for the first time on January 5, 2004. Within a few days I received the "Worker's Guide to Unemployment Compensation". I do not think I have ever read a source of information with more intensity than I did that day. So many new terms to understand, Base period, dependency class, average weekly wage, waiting week, and perhaps the most important at the time was the section titled "Receiving the first payment". I served my waiting week and went back to work the following Thursday. A week later I received notification from ODJFS that I had 51 qualifying weeks worked during my base period and would be eligible for 26 weeks of benefits at \$323 dollars per week. All I wanted to do was go back to work and provide for my family. I was laid off again in September. The second layoff made me begin to question myself. Are my skills good enough? Where do I need to improve? What can I do to become a better craftsman? I found part of the answer in my termination letter from my previous employer. "Dear Mr. Parsley, due to an insufficient amount of work available at this time, we regret to inform you that we are terminating your employment for an unspecified amount of time. We thank you for your efforts during your employment with us, and are sorry for any inconvenience

this may cause you." I felt there is always room for improvement with any learned skill, but the main issue of layoffs in my industry is lack of work.

I would come to learn over time that this is the nature of the skilled tradesmen. We do not work our entire life in one plant or location/job site. We are essentially working ourselves out of a job every day we report to work because every project must be completed. By the end of 2004 I had worked for two different contractors and received eight weeks of unemployment benefits. These benefits were largely used to provide food for my family, pay utility bills and make house payments.

As I learned of the solvency issues with our Unemployment Compensation Trust fund, I wanted to see if I was a part of the problem. I started gathering data from my personal Unemployment compensation claims for as long as I have received benefits. I have 12 years of data that starts in 2004 and ends with 2015. During this time frame I have worked all over Ohio, Pennsylvania and West Virginia. Nuclear power plants like Davis-Besse in Oak Harbor, OH. Perry near Cleveland, Ohio, Beaver Valley in Shippingport, PA and Enrico Fermi near Monroe, MI. The Marcellus and Utica shale gas and oil well sites in Ohio and PA. From the old Mead paper plant in Chillicothe to the new football Hall of Fame project in Canton, Ohio. I will go where the work is in order to support my family and try to give them a great life.

YEAR	WEEKS/YEAR	YEAR	WEEKS/YEAR	YEAR	WEEKS/YEAR
2004	8	2008	14	2012	0
2005	8	2009	26	2013	23
2006	21	2010	23	2014	17
2007	24	2011	3	2015	11

The table shows the year followed by the number of weeks of unemployment benefits received during that year. The average weeks received over this twelve year period is 14.8 weeks. The purposed cuts in total weeks of benefits allowed would have created hardships in 5 of the 12 the years shown. The table also shows that number of weeks received do not always reach full exhaustion of benefits. It also shows that when work is available for the entire year, no unemployment benefits will be applied for. In closing, I would like thank the committee for allowing me this opportunity to testify in these hearings. I urge you all to consider situations like mine when coming up with a final solution. Workers like me have not caused the problem, and to shoulder a majority of the fix through severe benefit reductions, or a cut in weeks is just wrong. I will answer any questions you may have at this time.



*BEFORE THE UNEMPLOYMENT COMPENSATION  
REFORM JOINT COMMITTEE  
Thursday, November 3<sup>rd</sup>, 2016*

Chairmen Schuring and Peterson, and members of the Unemployment Compensation Reform Joint Committee, thank you for the opportunity to provide testimony today. My name is Don Boyd and I am the Director of Labor and Legal Affairs for the Ohio Chamber of Commerce.

The Ohio Chamber is the state's leading business advocate, and we represent nearly 8,000 companies that do business in Ohio. Our mission is to aggressively champion free enterprise, economic competitiveness and growth for the benefit of all Ohioans. The Ohio Chamber of Commerce is a champion for Ohio business so our state enjoys economic growth and prosperity.

**Overview**

The unemployment insurance trust fund in Ohio is broken and structurally unsound. This fund, financed solely by employers, provides benefits to qualifying workers who become unemployed through no fault of their own. Throughout the last recession, Ohio was forced to borrow \$3.4 billion in Title XII loans from the federal government in order to meet its benefit obligations. While this is significant, the system was broken well before this. The size of the recession simply exacerbated the problem. In 2006 and at various points thereafter, different measures were proposed in order to rebalance the fund. However, none were enacted and, at this point, the proposals of the past would not be enough to allow us to achieve solvency. The lack of action coupled with the depth of the recession led to Ohio having significant federal debt well beyond the two-year grace period provided to repay the federal loans.

The federal unemployment taxes (FUTA) are 6% of the first \$7,000 in wages. However, when a state is in good standing, it receives a 5.4% credit so that the effective rate is .6% of the first \$7,000 in wages, or \$42. Due to not paying back the federal loan within the two-year period, Ohio's credit was reduced by .3% per year. In essence, this amounts to a \$21 per employee penalty each year the debt is not paid.

From 2011 to 2015, employers throughout the state paid nearly \$1.5 billion in additional FUTA taxes. To break that down further to what it means for individual businesses, here are examples of what a few of our member businesses paid in additional FUTA liability:

- Tom Ahl Family of Dealerships - \$50,400
- Petland, Inc. - \$68,000

- The Shelly Company - \$212,400
- Owens-Illinois, Inc. - \$378,000
- Procter & Gamble - \$3,791,400

This is money that could have stayed in Ohio and been reinvested into these businesses and their communities.

#### House Bill 390

We would like to thank the members of this committee, along with Senate President Keith Faber and Speaker Cliff Rosenberger, for passing House Bill 390 earlier this year which allowed the outstanding federal debt to be eliminated early. This action will save Ohio employers approximately \$351 million and will work out to a savings of around \$72 per employee. Had this not been done, employers would have been facing a FUTA burden of \$168 per employee compared to the base FUTA of \$42.

#### Long-Term Solvency

Paying off the outstanding Title XII loans was a very important first step in fixing Ohio's unemployment insurance system but much more still needs to be done. As stated previously, benefit payouts and employer contributions are out of alignment. In order to truly fix the system, both must be examined and addressed to provide for long-term solvency. We encourage the members of this committee to carefully consider all of the information that has been offered before this committee and also throughout the hearings on House Bill 394 as you work to craft legislation to address this problem. While neither business nor labor directly caused the problems with Ohio's unemployment insurance trust fund, a balanced solution that addresses both sides of the equation is necessary.

Increasing the urgency to pass a long term solution is the fact that House Bill 390 also contained a penalty provision that will take effect if Ohio borrows federal funds to pay benefits in the future. Due to this provision, employers could face an increase in the contribution rate of up to .5%, as determined by the Director of the Ohio Department of Job and Family Services. This increase is factored into a formula that could have a much greater impact than just a .5% increase. It could as much as triple rates for some employers. This provision would kick on during the two-year grace period provided by the federal government and was designed to eliminate the principal balance faster. Nevertheless, this potential increase could hit employers at the worst possible time, during a recession or in the early stages recovery. This provision must be removed upon passage of long-term solvency legislation.

#### Conclusion

Paying off the federal debt without long-term reforms to Ohio's unemployment system leaves Ohio businesses vulnerable to the same penalties that the legislature just worked so hard to eliminate. Taking action to fix Ohio's unemployment insurance trust fund is critical to ensuring Ohio remains competitive and provides businesses with the stability and predictability necessary to thrive.

We respectfully urge you to enact balanced unemployment insurance legislation to achieve long-term solvency prior to the end of the year. Thank you for the opportunity to provide this testimony and I would be happy to answer any questions you may have at this time.

## Testimony to the Unemployment Compensation Reform Joint Committee

Hannah Halbert and Zach Schiller

Good afternoon, Chairmen Schuring and Peterson and members of the committee. My name is Hannah Halbert and I am a researcher focusing on state policies that impact working families for Policy Matters Ohio, a nonprofit, nonpartisan organization with the mission of creating a more prosperous, equitable, sustainable and inclusive Ohio. We have previously testified on system financing and offered our own proposal that would ensure more Ohio workers qualify for unemployment insurance, while also creating a truly solvent system. Thank you for the opportunity to offer this supplemental testimony focusing especially on why a maximum duration of 26 weeks matters to Ohio workers and communities.

As this committee finalizes its recommendations to address solvency we urge the members to protect the number of weeks of benefits available to unemployment insurance claimants. In testimony from the Department of Job and Family Services (ODJFS) we learned that the average duration of unemployment benefits is just 14.6 weeks and a smaller share of Ohio recipients exhausts their benefits than in 45 other states. Using ODJFS data filed with the Department of Labor, I found that the majority (66 percent) of Ohio claimants were earning wages in the quarter following their initial claim. All of this data shows that Ohioans prefer to work and they are not treating unemployment insurance as an entitlement program. But some, like the nearly 70,000 Ohioans who claimed more than 20 weeks in benefits last year, struggle to find employment in an economy that still has fewer jobs than it had sixteen years ago.

### I. Cutting weeks ignores continuing challenges in Ohio's economy.

Ohio's unemployment rate has improved, but cutting weeks ignores continuing challenges. Even though Ohio is back to the number of jobs it had when the national recession officially began in December 2007, Ohio still needs 80,000 jobs to regain its pre-recession employment rate.<sup>1</sup> Job posting data from online job ads available at OhioMeansJobs.com show that there were about 100 Ohioans looking for jobs in July for every 60 job postings.<sup>2</sup> In some regions, this gap is much larger. In Appalachian Ohio, there were only 26 postings for every 100 unemployed Ohioans. There are areas that struggle with few openings or have openings that require certifications and training that not all unemployed workers have. Technology and trade have changed where the jobs are, what the jobs are, and how employers find potential hires. Reemployment takes time.

<sup>1</sup> Ohio Job Deficit from the Economic Policy Institute based on data from the Bureau of Labor Statistics, comparing jobs to population growth as of September 2016. The 88,000 includes the 78,300 jobs Ohio has gained since the recession, less the 158,300 jobs it needs to keep up with the population growth the state has experienced since the recession began.

<sup>2</sup> OhioMeansJobs.com, Job Posting Trends, July 2016, from the Conference Board Help Wanted OnLine Series, posting data produced using "real-time" information for June 14, 2016-July 13, 2016, available at <http://bit.ly/2eai3P6>, accessed August 29, 2016.

The loss of spending stabilization from unemployment cuts will make it challenging for families in hard-hit communities, and businesses dependent on family spending will find it harder to survive a downturn, whether they are facing a national recession or a local mass layoff. Research shows that each dollar of unemployment benefits paid adds \$1.61 to Gross Domestic Product.<sup>3</sup> Cutting maximum duration will mean these workers and the communities they live in have fewer supports to make this transition.

II. Cuts to Unemployment duration do little for employment, but lead some to stop seeking work. Well-designed studies show that unemployment benefits support job search and keep jobless workers attached to the labor market.<sup>4</sup> Recent research on the effect of unemployment extensions on aggregate employment compared more than one thousand county pairs along state borders.<sup>5</sup> The counties shared geography, similar economies and economic conditions, but had different maximum lengths of unemployment duration. The researchers found that increasing benefit weeks from 26 to 99 led to a 0.09 percentage point decline in the employment-to-population ratio. Conversely, longer benefits improved employment levels in counties paying longer benefits by 0.41 points, a change likely due to stabilized spending. Overall, they concluded that there were **no significant disemployment effects** from extended unemployment benefits. This new research suggests that concerns “about disincentivizing job-search efforts may be over-blown.”

The findings also support earlier work evaluating the effect of North Carolina’s drastic cuts to their unemployment system, which were justified as necessary for solvency and to encourage claimants to get back to work. After these cuts were implemented, North Carolina’s unemployment rate did fall, but not because more North Carolinians were on the job. One study said, “the significant impact of North Carolina labor-force policy was to increase the number of workers who left the labor force, not to encourage those without jobs to become employed.”<sup>6</sup>

Mass layoffs and recessions can alter the industrial composition of a region. Some jobs vanish and workers then need to reskill to compete for emerging industries. Twenty-six weeks of unemployment, the national standard since 1968, gives job seekers time to come to terms with the job loss, assess opportunities, and engage in education and training.<sup>7</sup> House Bill 394 proposed to use a sliding scale to set maximum duration.<sup>8</sup> If the proposal were in place today, unemployed Ohioans would have just 12 weeks to find work. Such a change would make Ohio’s unemployment system one of the weakest in the nation.<sup>9</sup>

<sup>3</sup> Blinder, Alan S. and Mark Zandi, “The Financial Crisis: Lessons for the Next One,” Center on Budget and Policy Priorities, October 2015, available at <http://bit.ly/1h1l8q2>, accessed August 29, 2016.

<sup>4</sup> For a summary of research showing that unemployment benefits support job search and labor market participation by claimants, see National Employment Law Project, Unemployment Insurance Advocate’s Toolkit, Chapter 4C: “UI: Preventing Poverty, Supporting Job Search, and Helping the Economy,” available at <http://bit.ly/2dZ6hfa>.

<sup>5</sup> Christopher Boone, Arindrajit Dube, Lucas Goodman, and Ethan Kaplan, “Unemployment Generosity and Aggregate Employment,” September 2016, available at <http://bit.ly/2fiHpOl>.

<sup>6</sup> Patrick Conway, “North Carolina’s Employment Record: What role did Unemployment Insurance Reform play?” University of North Carolina at Chapel Hill, Department of Economics, December 2015.

<sup>7</sup> National Employment Law Project, “Why every state should pay 26 weeks of UI benefits,” October 2015, available at <http://bit.ly/2ead94J>. Until 2011, all states provided at least 26 weeks through their state UI programs.

<sup>8</sup> Construction workers would get a flat 20-week maximum under the current iteration of HB 394.

<sup>9</sup> Only five states (Florida (12-23 weeks, 2012), Georgia (14-20 weeks, 2012), Kansas (16, 20, or 26 weeks, 2014), North Carolina (12-20 weeks, 2013), and very recently Idaho (10-26, 2016)) have a scalable maximum like that



Cuts to a flat number of weeks also have real consequences to workers, businesses, and communities. If legislators had cut Ohio's maximum duration to 20 weeks last year, that would mean about 70,000 Ohioans would have lost up to a month and a half of benefits. That's a month and a half of income to help cover rent, groceries, and necessities like gas and internet service to help with job search. Research shows that duration cuts drive faster-than-average declines in unemployment reciprocity rates.<sup>10</sup> Cutting weeks to 20 drove Michigan's reciprocity rate to a record low 22.3 percent.<sup>11</sup> Researchers estimated that the cuts reduced that state's reciprocity rate by 11.9 percentage points. They estimated this led to a 34.8 percent drop in the number of workers claiming benefits. Ohio already provides benefits to fewer of its unemployed workers than most states do, and has done so for a long time. This committee should reject proposals that further threaten coverage.

We would also like to comment on the suggestion that the General Assembly consider eliminating the state income tax on unemployment benefits. This deserves consideration. However, this is not advisable if it becomes a fig leaf for benefit cuts. Eliminating state income tax on benefits is a bad bargain if it is combined, for example, with a cut in maximum benefit weeks to 20. An unemployed worker getting the average unemployment benefit would lose more than \$2,000 in benefits if they received 20 weeks instead of 26. This same worker would get a fraction of that in tax savings. Lower-income recipients would get little out of an income-tax cut. This illustrates that like everything else under consideration, this proposal needs to be considered as part of a whole plan to understand whether it makes sense.

Cutting benefits is a poor instrument for achieving solvency, and not just because it will harm Ohio workers, their families, and the local businesses dependent on their spending. As HB 394 demonstrated, much of these cuts are passed through to employers in the form of lower tax rates--the very opposite of what is needed to reach solvency. This committee has heard considerable testimony on the harm our high monetary rules already cause low-wage workers. The state should not take steps that will further limit this already-low share who receive benefits. Doing so would push families into deep crisis. Instead, we need a balanced approach that addresses our inadequate funding of unemployment insurance.

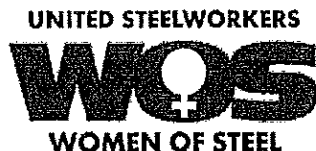
Thank you for allowing us to testify. We are happy to answer any questions that you may have.

*Policy Matters Ohio is a nonprofit, non-partisan research institute  
with offices in Cleveland and Columbus.*

proposed in HB 394. Four states have a flat maximum lower than 26 weeks: Arkansas (20 weeks, 2015), Michigan (20 weeks, 2012), Missouri (20 weeks, 2011), and South Carolina (20 weeks, 2011).

<sup>10</sup> Rick McHugh and Will Kimball, "How low can we go? State Unemployment Insurance programs exclude record numbers of jobless workers," Economic Policy Institute, March 2015, available at <http://bit.ly/1BjWt3b>.

<sup>11</sup> H. Luke Shaefer and Michael Evangelist, "Families at Risk, Report II," The Michigan Unemployment Insurance Project, supported by the W.K. Kellogg Foundation, April 2014.



### District 1

David McCall  
District Director  
Teresa Hartley  
WOS Coordinator

Chairman Schuring, Chairman Peterson, and members of the committee:

Thank you for the opportunity to testify today on unemployment compensation.

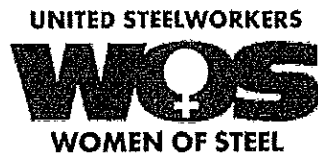
My name is Teresa Hartley. I am the Coordinator for the United Steelworkers District 1 Women of Steel Program. It is an honor and privilege to represent working women in the great state of Ohio. We have Women of Steel who of course make steel, but also fill prescriptions, work in government agencies, paper mills, universities and much more. There are even some, like me, who build tires! Let me share my personal story:

In early December, 2012, 1,050 Cooper Tire Workers in Findlay, Ohio were locked out of our plant! Yes, just weeks away from Christmas, we were told not to report to work! To say the least, I was shocked. My family and I began scrambling to figure out what we were going to do. My husband, who also worked at the facility, is a member of the Army Reserves. Without knowing when we were going to be allowed to return to work, he asked his commanding officer for full time active duty orders in the U.S. Army and was relocated to Indiana to help supplement our income.

I also had to explain to my son, who was attending Ohio University at the time that he might have to withdraw from school. Luckily, we qualified for Unemployment Compensation benefits. Without these benefits and my husband's ability to get full time active duty orders in Indiana, I don't know what we would have done. Other families were not so lucky. During this lockout, I helped organize 3 food banks to help feed not only my coworkers, but their families as well.

Unemployment benefits help working people feed their children, stay in their homes and pay regular bills. As someone who has been on unemployment in the past, I can tell you that Ohio's benefits are not too lavish. In fact, between my unemployment benefits and the pay my husband was bringing in from the army, we had to slash our household budget to the bare minimum. On the weekends when my husband was actually able to come home, we couldn't afford to go out for dinner, see a movie, or any other special "date night" type things.

Cutting benefits for laid off Ohioans by either cutting the number of weeks, getting rid of dependency payments, or making it harder to qualify for benefits - while providing another tax cut for businesses in order to solve the trust funds insolvency is just plain wrong.



### District 1

David McCall  
District Director  
Teresa Hartley  
WOS Coordinator

Earlier this year, I reached out to my sisters that participate in our Women of Steel program to begin educating them about House Bill 394. A few of these brave women began telling me their heart wrenching stories:

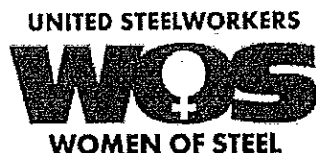
Jessica Roberts whose husband works at USW Local 8565 in Aurora, Ohio shared: "Once we received unemployment benefits, it was a breath of fresh air. I'm thankful because we were able to keep our first home that we worked so hard for. I would have been devastated if we lost it."

Sara Benedict who works at AK Steel in Mansfield shared this: "In 2009 we were laid off for about 5 months due to the economy. At the time I rented. I had to spend my entire income tax return to pay my rent ahead. I also sold my car because the payment was so high I couldn't afford to keep it. My parents sold a car to me that they weren't using, with the knowledge that I would pay them back once I was back to work. Without unemployment benefits I wouldn't have been able to keep food in the fridge or the heat on in my apartment."

Meredith Sealy from local 1104 in Lorain wrote me: "I was laid off last October from USS Lorain tubular and found out just days later I was pregnant. At first unemployment benefits kept up with maintaining our normal bills, but as time went on and the bills got larger, remember I was pregnant the entire time I was laid off, the expenses of purchasing a crib, diapers and such became overwhelming. The loss of that job hit us hard. We still aren't back on our feet yet. We don't live rich, no boats, bikes or vacations. I'm going to try to pick up part time work soon to help pay off the debt that racked up while I was laid off."

From Jennifer Miller-Smelko, USW Local 298, Akron:

"Back in 2009, the factory I worked for experienced what was called a "massive workforce reduction". I was one of nearly a hundred people to be "laid off" in the factory. They called it a lay off, but none of the laid off employees were ever asked to come back, even when they began hiring again later that year. I don't mean to sound dramatic, but the unemployment I was able to receive saved me and my children. I was a single mother at the time, and though the checks weren't close to what I made in the factory, I was able to keep myself and my girls in our home and fed until I was able to find a new job. Even though the company was told not to dispute any unemployment claims, I have to say the waiting period was the hardest. I worried daily whether I would receive the benefits in time to pay my bills. The idea of making people go through multiple waiting weeks sounds agonizing."



### District 1

David McCall  
District Director  
Teresa Hartley  
WOS Coordinator

From Angie Ballou USW Local 3657, Cleveland: "Back in 2008 I was laid off from a law firm I had been working at for years. I was a single mom with 3 kids (ages 16, 11 and 7 at that time). Fortunately, I was eligible for Unemployment Compensation. It was barely enough to keep the rent and utilities paid, and I did fall behind and applied for all of the assistance I could at that time. Without 26 weeks of Unemployment benefits, we would have been homeless."

From Katrina Fitzgerald, USW Local 1123, Timken Company, Canton Ohio: "In the industry that is as volatile as steel, unemployment benefits are vital. When the market goes down (and it always does) layoffs follow. When we are laid off during these times no one wants to hire us because they know that when the market/business picks up, we will go back to our employer that we were laid off from. The last time I was laid off, I put my resume in everywhere and a few employers called me and actually told me that they wouldn't interview me because they knew I would go back to Timken!"

Diana Boes, USW Local 207L, Cooper Tire in Findlay Ohio: "If I wouldn't have received Unemployment Benefits during our lockout, I would have lost my home and my daughter would have had to withdraw from College. As a single parent, the Unemployment Benefits I received helped tremendously when Cooper Tire locked us out."

There are, sadly, several other stories like this that I could share.

Lastly, I would like to remind members of the committee that our folks want to work! They want to make products that keep our country safe, our infrastructure stronger and the environment cleaner. They want to provide for their families and support their communities.

However, whether there is a downturn in the economy, an overcapacity in certain sectors or if a company refuses to bargain in good faith, House Bill 394 places the burden of solvency for the unemployment system squarely on the backs of workers through benefit reductions. Cutting the number of weeks of benefits by any amount would hurt workers, their families and communities. Making it harder to qualify for benefits when Ohio is already one of the hardest to get benefits just doesn't make sense. And to add insult to injury, House Bill 394 actually gave businesses another tax break, when lack of revenue is the real reason the fund is broke! This is not the right way to go when trying to fix the system.

Thank you for your time and attention and I would be happy to try and answer your questions.

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United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International  
Union 777 Dearborn Park Lane - J, Columbus, OH 43085 • 614-888-6052 • 614-888-9870 (Fax) • [www.usw.org](http://www.usw.org)

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**Ohio General Assembly**  
**Unemployment Compensation Reform Joint Committee**

**Ohio AFL-CIO Testimony**  
**November 3, 2016**

Chairmen Schuring and Peterson, and members of the Committee, my name is Tim Burga and I am the President of the Ohio AFL-CIO. I want to thank you for the opportunity to testify this afternoon about Ohio's unemployment compensation system. The Ohio AFL-CIO is the labor federation for union workers in Ohio and has historically spoken on behalf of all workers on the matter of unemployment compensation. Our organization provided very detailed and specific testimony in opposition to HB 394; however, as this joint Committee has not specified that this is a hearing on HB394 my remarks will touch on broader aspects of the system.

The Unemployment Insurance program was created in 1935 in the wake of the Great Depression as a counter cyclical economic stabilizer. Unemployment Compensation provides a temporary cash benefit to assist displaced workers and their families during periods of unemployment. These modest benefits also support the local economy by providing some preservation of purchasing power during the displacement. The first Unemployment Insurance program and subsequent changes to the program were negotiated by business and labor and implemented by the legislature in the best interest of all stakeholders. Such a collaborative process has not occurred during this three

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year endeavor which resulted in the introduction and hearing of arguably the most anti-worker unemployment proposal seen anywhere in the country, with HB394.

For well over a decade solvency concerns of our Unemployment Compensation Trust Fund has been a hot topic of debate. As the economic realities of globalization, automation and lack of corporate investment in its workforce took hold, massive job losses, especially in manufacturing, rippled through all sectors of the economy and the trust fund was not prepared to handle the most recent recession and ensuing unemployment. In 2007, in an attempt to find solvency policy solutions to protect against the next the big recession, the Ohio Department of Jobs and Family Services contracted Dr. Wayne Vroman, a highly regarded economist at the Urban Institute, to look at ways Ohio could benefit from modernization of the program. Dr. Vroman's key finding was that the taxable wage base employers pay into the state system was insufficiently low, that it should be permanently raised and indexed to inflation.

As a result of inaction on this recommendation, Ohio employers, as they have for the last twenty years pay a state tax percentage into the system on the first \$9,000 an employee earns, well below the national average of \$13,407. In fact, according to the Department of Labor the average contribution per covered employee in 2015 for Ohio was \$269, when compared to the U.S. average, which is \$370, Ohio ranked 35<sup>th</sup> among the 50 states. And, the Ohio average

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contribution per covered employee is below each of our neighboring states as indicated below:

IN \$276

KY \$361

MI \$428

PA \$627

WV \$389

With regard to benefits, the percentage of average weekly wage for Ohio's displaced workers whom qualify ranks 19<sup>th</sup> in the country. This earned benefit simply serves as a safety net to help pay utility bills, keep some food on the table and keep the bottom from falling out all together, which then becomes a greater cost for all of society to bear.

And, although Ohio has provided 26 weeks of relief to displaced workers since 1949, as 41 other states continue to offer, just over one in four Ohio recipients exhaust their benefit, ranking 44<sup>th</sup> in the country for the months ended June 30. This backs up the common narrative that was heard during the 2014 House field hearings; that Ohio's workers are not seeking unemployment compensation as a life style but as a life necessity and they are eager to get back to work when work is available and get on with their lives, and pay their way.

To summarize, the facts clearly show that employers have been short changing the system for far too long, that displaced worker benefits compare nationally and workers don't want to be laid off. Put simply, Ohio's

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unemployment solvency issues are not the result of an overindulged or under motivated workforce and workers should not be blamed or punished by limiting eligibility or reducing benefits. As it is, fewer Ohioans are receiving unemployment compensation benefits than at any time in the last 40 years. For decades, a smaller share of Ohio's displaced workers have received unemployment benefits than jobless workers do nationally; in the year that ended in June, only 23 percent of Ohio's unemployed workers received benefits, a share that ranked 35<sup>th</sup> in the nation. One existing hurdle that causes this sub-par ranking is Ohio's monetary eligibility requirement sitting at 27.5% of the statewide average weekly wage, or \$243 this year. Only Washington has a higher earnings requirement for unemployment benefit eligibility. This means a minimum wage worker in Ohio can work 52 weeks a year at 29 hours a week, and not be eligible for unemployment benefits.

In conclusion, I firmly believe this issue is too important for all Ohioans to try and resolve during a "Lame Duck" session, after what has been a contentious and divisive debate. As a result of not bringing labor in at the outset, workers witnessed the introduction of the harshest unemployment proposal imaginable and were asked to negotiate it down. This did not go over well, and as we have all heard, the overwhelming voice from workers and charitable organizations are calling foul on the process and railing against the proposed terms and cuts. Therefore, we find ourselves at a place and time where workers from across the state and all sectors of the economy are not going to accept reductions in eligibility or benefit cuts under this circumstance.



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I would rather like to have the opportunity to tell workers that a new bi-partisan process will unfold next session with business and labor sitting down, and that the Ohio AFL-CIO, like it historically has done, will be at the table to work on solutions to keep our unemployment trust fund sound into the future. I thank you for the opportunity to provide this testimony and look forward to answering any questions you may have.

Terra Goodnight, Policy Director, Innovation Ohio  
Testimony to the Unemployment Compensation Reform Joint Committee  
November 3, 2016

Good afternoon Chairman Peterson and members of the Committee. My name is Terra Goodnight, and I am the Policy Director at Innovation Ohio, a policy and advocacy non-profit in Columbus. I am here today to speak on behalf of the Ohio Women's Public Policy Network – a statewide coalition of organizations that advocate for policies that benefit women. Attached to my testimony is a copy of a letter signed by many of those partner organizations.

I am here today because women have been mostly overlooked in the conversation about reforming Ohio's Unemployment Compensation system. The program has real problems that go beyond the size of the trust fund, and those shortcomings disproportionately impact women.

Ohio's unemployment compensation eligibility rules are out of step with our state's changing workforce. Because these rules favor higher-wage and full-time work, women—who are more likely to work for low-pay or part-time—are less likely to receive benefits than their male counterparts. One recent analysis showed that, over the past decade, **women made up over 43 percent of Ohio's unemployed, but just 36 percent of those receiving unemployment compensation.**<sup>1</sup> There are a number of reasons for this gender gap.

First, in order to collect benefits, Ohio requires laid-off workers to have earned a minimum average weekly wage of \$243 that would be hard to achieve in many low-paying jobs. Under current rules, a minimum wage worker whose hours fluctuate between 25 and 30 hours a week is ineligible for benefits after becoming unemployed because they fail to take home the required weekly wage. In fact, in accommodations and food services, an industry where 57 percent of the workers are women, the typical worker in 34 Ohio counties earns too little to be eligible for unemployment.<sup>23</sup> Women are far more likely than men to work for low pay. Women in Ohio take home, on average, \$478 per week – this drops to \$410 if they are African American – compared to \$710 for men.<sup>45</sup>

<sup>1</sup> West, Rachel, Indivar Dutta-Gupta, Kall Grant, Melissa Boteach, Claire McKenna, and Judy Conti. *Where States Are and Where They Should Be on Unemployment Protections*. Center for American Progress, National Employment Law Center and Center on Poverty and Inequality, Georgetown Law. July 7, 2016. <http://www.nelp.org/content/uploads/Issue-Brief-State-Unemployment-Protections.pdf>

<sup>2</sup> U.S. Census Bureau. American Community Survey, 2015 American Community Survey 1-Year Estimates, Table S2403 "Industry By Sex For the Civilian Employed Population 16 Years and Over." November 1, 2016.

<sup>3</sup> Bureau of Labor Statistics. Quarterly Census of Employment and Wages, "Geographic Cross-Sections: All Counties in a State, One Industry: NAICS 72: Accommodation and Food Services." November 1, 2016.

<sup>4</sup> U.S. Census Bureau. American Community Survey, 2015 American Community Survey 1-Year Estimates, Table B20017 "Median Earnings In The Past 12 Months (In 2015 Inflation-Adjusted Dollars) By Sex By Work Experience In The Past 12 Months For The Population 16 Years And Over With Earnings In The Past 12 Months" October 1, 2016.

<sup>5</sup> U.S. Census Bureau. American Community Survey, 2015 American Community Survey 1-Year Estimates, Table B20017B "Median Earnings In The Past 12 Months (In 2015 Inflation-Adjusted Dollars) By Sex By Work Experience In The Past 12 Months For The Population 16 Years And Over With Earnings In The Past 12 Months (Black or African American Alone)" October 31, 2016.

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**Even if a part-time worker earns enough to qualify for benefits, if they seek anything less than a full-time job—even one with the exact same schedule as the job they lost—they remain ineligible under another of Ohio's outdated rules. In Ohio, 43 percent of women work part-time, compared to just 29 percent of men. For many women, including myself, a non-traditional work week is the only way to balance work with the scheduling demands of a family, especially for the one in four Ohio families with children headed by a woman on her own.**

We should not preserve a system that discourages non-traditional, pro-family work schedules or that protects only those in high-paying jobs from falling into poverty. Ohio should expand its eligibility calculations to ensure even the lowest-paid workers are eligible for benefits when they lose their job. And Ohio should join the 30 states that currently allow unemployed workers to seek part-time positions and still receive unemployment benefits.



October 31, 2016

Dear Unemployment Compensation Reform Joint Committee Member,

As you and your colleagues consider ways to shore up Ohio's unemployment compensation trust fund, we the undersigned organizations urge you to consider the impact on Ohio's most vulnerable workers—a category that includes many of Ohio's working women. The undersigned organizations are members of the Ohio Women's Public Policy Network, a statewide coalition of organizations focused on policies that impact women and families.

Because Ohio's outdated unemployment compensation eligibility rules favor higher-wage and full-time work, women—who are more likely to work for low-pay or part-time—are less likely to receive benefits than their male counterparts. One recent analysis showed that, over the past decade, **women made up over 43 percent of Ohio's unemployed, but just 36 percent of those receiving unemployment compensation.**<sup>i</sup> This gender gap is seen in a number of states where policies remain based on outdated notions of work and family.

Indeed, Ohio's program requires laid-off workers to have earned a minimum average weekly wage that would be hard to achieve in many low-paying jobs, particularly those with unstable and unpredictable schedules. Under Ohio's program rules, a worker making \$25 per hour for just 10 hours per week would be eligible to receive benefits after becoming unemployed, while a minimum wage employee working 29 hours a week would not.<sup>ii</sup> **And even if a part-time worker earned enough to qualify for benefits, if they seek anything less than a full-time job—even one with the exact same schedule as the job they lost—they remain ineligible under another of Ohio's antiquated rules.**

These obvious inequities can do real harm to families headed by women, who are statistically far more likely to work in low wage and part-time jobs. 43% of women in the state's workforce are employed part-time, compared to just 29% of men.<sup>iii</sup> Working fewer hours at lower-paying jobs means that women in Ohio take home \$478 per week, compared to \$710 for men.<sup>iv</sup> For African American women, weekly take-home pay for those with earnings works out to just \$410.<sup>v</sup>

For the more than 587,000 Ohio family households headed by women, over 32 percent live in poverty. And nearly 43 percent of the 167,000 Ohio families headed by African American women are living in poverty. Losing a job has serious impacts on women and their families.<sup>vi</sup> A national study found that 77 percent of unemployed women with children reported reducing spending on their kids and 60 percent cut spending on medical and dental care.<sup>vii</sup>

In Ohio, weekly benefits paid by the program are already very low. According to the US Department of Labor data from the 2<sup>nd</sup> quarter of 2016, the average recipient of unemployment

benefits in Ohio gets barely above minimum wage—just \$352 per week.<sup>viii</sup> For a single working mother with one child, current benefit levels are just enough to keep the family from falling into poverty.

Ohio passed up \$176 million in federal funds in 2011 when it failed to enact reforms that would have increased eligibility for unemployment benefits for workers in low-wage and part-time jobs, a move which would have helped women receive their fair share of jobless benefits.<sup>ix</sup> To keep more Ohio women and their families out of poverty, policymakers should ensure that current efforts to reform Ohio's Unemployment Compensation system do not reduce program benefits, duration or eligibility. Additionally, reform effort should look to modernize our system to address the new realities of today's workforce, including more part-time and low-wage workers, and a greater share of women—many of whom are the sole breadwinners for their families.

Sincerely,

**Women's Public Policy Network Member Organizations**

Cleveland Jobs with Justice

Innovation Ohio Education Fund

Majority Ohio

National Council of 100 Black Women Central Ohio Chapter

Ohio Alliance to End Sexual Violence

Ohio Domestic Violence Network

Ohio NOW

Planned Parenthood Advocates of Ohio

ProgressOhio

<sup>i</sup> West, Rachel, Indivar Dutta-Gupta, Kall Grant, Melissa Boteach, Claire McKenna, and Judy Conti. *Where States Are and Where They Should Be on Unemployment Protections*. Center for American Progress, National Employment Law Center and Center on Poverty and Inequality, Georgetown Law. July 7, 2016. <http://www.nelp.org/content/uploads/Issue-Brief-State-Unemployment-Protections.pdf>

<sup>ii</sup> Schiller, Zach. "Better Plan Needed for Unemployment Compensation System." Testimony to the Unemployment Compensation Reform Joint Committee. September 15, 2016. <http://www.policymattersohio.org/uc-testimony-sept2016>

<sup>iii</sup> U.S. Census Bureau. American Community Survey, 2015 American Community Survey 1-Year Estimates, Table C23022 "Sex by Full-Time Work." October 26, 2016.

<sup>iv</sup> U.S. Census Bureau. American Community Survey, 2015 American Community Survey 1-Year Estimates, Table B20017

"Median Earnings in The Past 12 Months (In 2015 Inflation-Adjusted Dollars) By Sex By Work Experience in The Past 12 Months For The Population 16 Years And Over With Earnings in The Past 12 Months" October 1, 2016.

<sup>v</sup> U.S. Census Bureau. American Community Survey, 2015 American Community Survey 1-Year Estimates, Table B20017B

"Median Earnings in The Past 12 Months (In 2015 Inflation-Adjusted Dollars) By Sex By Work Experience in The Past 12 Months For The Population 16 Years And Over With Earnings in The Past 12 Months (Black or African American Alone)" October 31, 2016

<sup>vi</sup> U.S. Census Bureau. American Community Survey, 2015 American Community Survey 1-Year Estimates, Table S1702 "Poverty Status in the Past 12 Months of Families." October 1, 2016.

<sup>vii</sup> Peter Hart Research "Unemployed in America: A Look at Unemployed Women and Families." Survey of 413 unemployed adults conducted April 17-28, 2003. Commissioned by National Employment Law Project.

<http://www.nelp.org/content/uploads/2015/03/SurveyWomen.pdf>

<sup>viii</sup> Unemployment Insurance Data Summary - 2<sup>nd</sup> Quarter, 2016. U.S. Department of Labor, Employment and Training Administration. [http://workforcesecurity.dol.gov/unemploy/content/data\\_stats/datasum16/DataSum\\_2016\\_2.pdf](http://workforcesecurity.dol.gov/unemploy/content/data_stats/datasum16/DataSum_2016_2.pdf)

<sup>ix</sup> Koff, Stephen. "Ohio Says 'no' to \$176 Million in Federal Aid for Jobless Benefits." *Cleveland.com*, August 22, 2011. [http://www.cleveland.com/open/index.ssf/2011/08/ohio\\_says\\_no\\_to\\_176\\_million\\_in.html](http://www.cleveland.com/open/index.ssf/2011/08/ohio_says_no_to_176_million_in.html)

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Testimony from Tony Fiore  
On behalf of  
The Ohio Society of CPAs and the Ohio SHRM State Council  
Regarding  
Reforms to Ohio's Unemployment Compensation System  
Before the  
Unemployment Compensation Reform Joint Committee  
On  
November 3, 2016

Chairmen Peterson and Schuring, and members of the Unemployment Compensation Reform Joint Committee, thank you for the opportunity to testify on reforms to Ohio's Unemployment system. My name is Tony Fiore and I am an attorney with the Columbus based law firm of Kegler Brown Hill + Ritter. I have tracked unemployment compensation legislation in all 50 states for a national trade association for over 8 years and advocated on behalf of business in Ohio regarding UI for over 16 years. In addition, I helped spearhead a small team to help provide similar recommendations to the North Carolina business community and political leaders when they reformed their system in 2012-13.

I am here today on behalf of two statewide professional associations: The Ohio Society of CPAs and the Ohio SHRM State Council. I hope that my testimony will provide further support on why comprehensive reforms to Ohio's unemployment compensation system are now necessary before the next economic downturn hits the state.

The Ohio Society of CPAs (OSCPA) is a leading partner and influential voice for a thriving business environment. The OSCP is a community of 22,000 members and an industry of 85,000 CPAs and accounting professionals statewide, leading important initiatives that protect the public and create a healthy and sustainable business climate in Ohio. Membership is comprised of CPAs and other financial experts working in a wide range of Ohio businesses and industries, CPA firms, government and education.

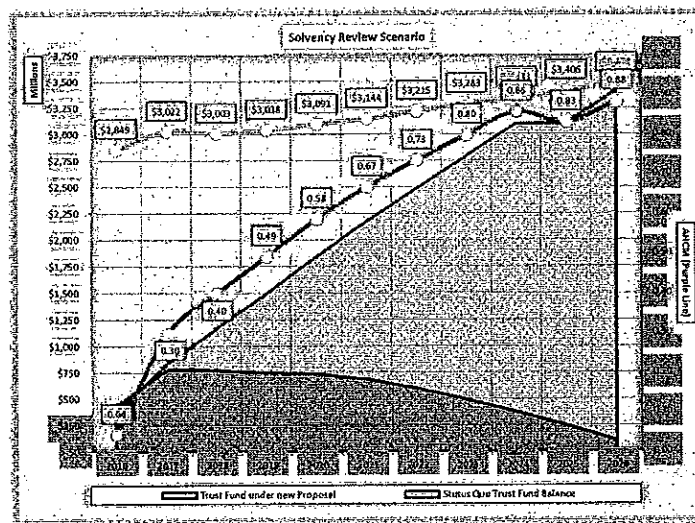
The Society for Human Resources Management ("SHRM") was founded in 1948 in Berea, Ohio. SHRM is the world's largest HR membership organization devoted to human resources management. Representing more than 275,000 members in over 160 countries, the Society is the leading provider of resources to serve the needs of HR professionals and advance the professional practice of human resource management. SHRM has more than 575 affiliated chapters within the United States and subsidiary offices in China, India and United Arab Emirates. In Ohio, the Ohio SHRM State Council represents over 25 local chapters and more than 12,000 members.

I've been around long enough to remember the recommendations from the Unemployment Compensation Advisory Council (UCAC) back in the 2000s. Those solvency changes advocated by both business and labor included: (1) increasing taxes on employers gradually; (2) reducing benefit payouts by freezing automatic increases in future benefits; and (3) eliminating the dependency allowance. I'll touch on these and other recommended changes throughout my testimony.

The CPAs and HR managers of this state want the UI system to be solvent, affordable, predictable, and provide a seamless pathway for claimants to quickly return to the workforce. There are several options available to the Ohio General Assembly. I'll try to focus on providing statistics when possible and alternatives regarding 1) solvency, 2) re-employment/workforce training, 3) system integrity, 4) taxes, and 5) benefits.

#### Why reform the system now?

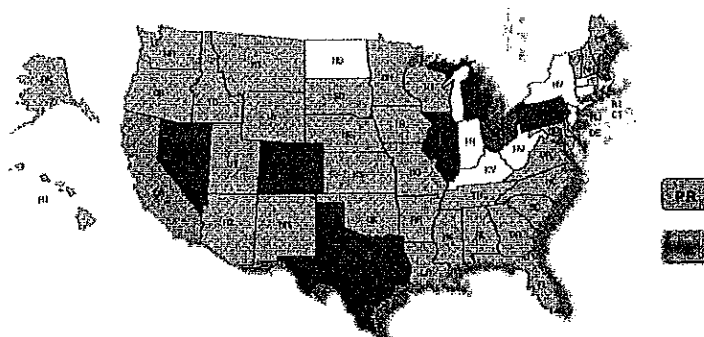
The purpose of all the recommendations that follow are to help return Ohio's Unemployment Insurance (UI) Trust Fund to a position of solvency now and assure continued solvency into the future. A solvent UI Trust Fund serves to strengthen the state's position in an increasingly competitive global marketplace. My testimony describes a balanced approach, with shared sacrifice and opportunity for unemployed workers and for employers seeking to not only survive, but to thrive. We worked with the ODJFS staff on the following graphic that statistically provides a road to solvency, but all elements of comprehensive reform are necessary to achieve this goal. I'll go through each of the recommendations and summarize at the end.



It is important to note that none of the changes contained in my testimony affect benefits currently being paid to unemployed individuals, meaning these changes are not retroactive. It should also be noted that no change will interrupt the payment of unemployment benefits to eligible UI claimants. Even if the UI Trust Fund becomes insolvent again in the future no eligible claimant will go without receiving a benefit check. The most critical observation of my testimony is that anything less than making the comprehensive reforms will only produce marginal results and likely

lead to a series of ongoing reforms or “Band-Aids” in an attempt to fix the current UI system. This testimony is largely based off the premise that asking employers to continuously pay more for a system (one they already fully fund) without greater oversight and continuous improvement is simply unsustainable.

## Solvency



The U.S. Map<sup>1</sup> above depicts the status of state trust fund solvency as of October 31, 2016.

- RED states are those that were borrowing as of October 31, 2016 (including the Virgin Islands).
- BROWN states are those that are currently using employer financed bonds or other state financing to repay Title XII loans.
- PURPLE represents Ohio since we have repaid the UI loan, but have the 2017 surcharge to repay the unclaimed funds account.
- GREEN states are those with positive balances of less than six months of benefits in the state trust fund.
- GREEN states are those with more than six months of benefits in the state trust fund (including Puerto Rico).

Ohio's unemployment insurance system was running a deficit of between \$62 million up to \$2 billion (in 2009). This deficit led to Ohio borrowing upwards of \$3.4 billion from the federal government, placing Ohio's debt as the top 5 highest in the country for most of the recession.

There were two provisions included in HB 390<sup>2</sup> (effective September 28, 2016) related to outstanding Federal Unemployment Account (FUA) loans as well as interest on such loans. One provision requires the Director of ODJFS to increase all contributory employers' taxes up to five-tenths of one percent (0.5%) for the purpose of eliminating the principal on any outstanding debt from the federal advance. The other requires the Director to require each employer to pay a surcharge in an amount sufficient to repay any interest on FUA loans paid from the newly created UC Interest Contingency Fund. However, if Ohio experiences the type of unemployment like it experienced between 2008 and 2010, the state needs more than just the ability to increase taxes and apply surcharges to employers. We fully agree with the Office of Budget and Management Director Tim Keen's comment in testifying on the UI provisions to HB 390 that "it does not tackle

<sup>1</sup> [www.uwcstrategy.org](http://www.uwcstrategy.org) – 2016 Highlights of State Unemployment Compensation Laws

<sup>2</sup> <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA131-HB-390>



the most important long-term challenge – the ongoing structural imbalance between revenues and benefits in Ohio's unemployment compensation system.”

#### **When will we have enough in the UI Trust Fund?**

Ohio should have in place some measurement that establishes when the fund is strong and solvent. Each state determines its own definition of an adequate reserve. Ohio law calls the adequate reserve the “minimum safe level (MSL)”. The MSL is the amount of funds the state determines it needs to sustain the UI Trust Fund through a historically typical recession without borrowing. The current MSL is nearly \$2.85 billion according to ODJFS. The US DOL uses a measurement called the average high cost multiple (AHCM). As you can see from the map above and the AHCM from our surrounding states they all have some work to do in creating a more solvent state UI Trust Fund. If Ohio defined the MSL at a 1.0% AHCM as proposed in [HB 394](#) it would require a balance of \$2.574 billion that would increase to over \$3 Billion. That level may be too high of a threshold to set for the trust fund. This standard would require close to or exceeding \$3 billion or nearly 3x annual premium collection. As of October 31, 2016 we had a fund balance of \$529.5 million.

State	AHCM
Indiana	0.02
Kentucky	0.01
Michigan	N.A.
Ohio	N.A. (MSL definition)
Pennsylvania	N.A.
West Virginia	0.25

#### **Recommendation: define the minimum safe level (MSL) at between 0.5% and 0.8%.**

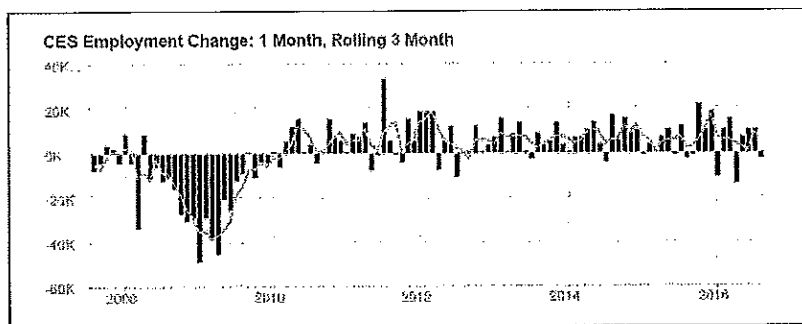
The chart at the end of my testimony states that if certain changes are made, such a standard would place the state UI trust fund between \$2.5 and \$2.8 billion in the next 8 to 10 years. Once the fund reaches this threshold, employers should experience some relief in the form of a lower taxable wage base, rates or a combination of both. There is no rationale for overtaxing employers.

#### **Re-Employment and Workforce Training/Education**

The most important goal of the unemployment compensation system is to help claimants return to work. States across the country have begun to turn the focus of UI systems to reemployment, and Ohio is in a position to adopt the best practices from other states in developing a set of performance measures and a delivery system that may serve as a model. There are currently millions of dollars budgeted for workforce development programs throughout the state. Improvements and integration of systems are needed to focus on reemployment through performance based standards. Such measures should focus on individuals actually getting jobs rather than the completion of a program by the individual. Employment should be given greater weight when determining the

success of workforce development, adult education and training programs, whether they are funded by the federal, state or local government.

The Bureau of Labor Statistics (BLS) has two monthly surveys that measure employment levels and trends: the Current Population Survey (CPS), also known as the household survey, and the Current Employment Statistics (CES) survey, also known as the payroll or establishment survey.



The state has been on an astounding record of creating jobs over the last 6 years. The CES chart<sup>3</sup> below depicts job growth over the past 8 years.

Employment should not be the only metric used to determine if publicly funded resources are being utilized in the most effective manner. Retention rates are also critically important in determining if education and training programs are meeting the needs of Ohio employers as well as jobseekers. Employing UI claimants, whether in permanent full-time jobs or part-time jobs while they complete an education or training program, helps replenish the UI Trust Fund by reducing benefit pay-out and increasing unemployment tax revenue. In addition to UI tax revenue, employment saves the state in reduced payout for public assistance and support payments while increasing state income tax revenue and increasing spendable cash to bolster the local economy.

**Recommendation:** Narrow the job search skills gap across the state. Job search skills training is rarely a formal component of high school or college curriculum. Therefore, job seekers rely primarily on college and government career centers and self-study options to fill this gap. The resulting job search skill gap not only impacts unemployment rates, but also impacts the ability of workers to identify their transferrable skills and bring them to the attention of employers. Ohio law requires a machine-generated resume to be posted to OhioMeansJobs.com (OMJ) upon UI claimant registration based upon their work history. It must be replaced or amended by an individualized resume by the 8<sup>th</sup> week of benefit receipt. In an era where most communication and job searches can be done in a matter of minutes on a smartphone, claimants should be required to upload their resume

<sup>3</sup> <http://www.deptofnumbers.com/employment/ohio/> using U.S. Bureau of Labor Statistics data.

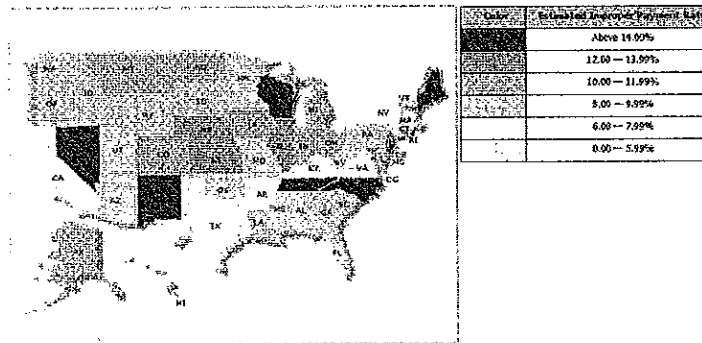
within the same week they file for benefits. Their next employer may have been waiting several weeks or months for a jobseeker with their specific skills, but until the employer knows the claimant is looking the match will never be made.

There are approximately 250,000 unemployed Ohioans. Assuming no changes are made to the system, the average 2017 tax collected per employee will be \$228 (2.53% x \$9,000) according to ODJFS. This assumes an average weekly benefit amount of \$350 and the average claim duration of 15 weeks which suggests a savings of \$5,250 per claimant (\$350 x 15). Therefore, the average tax revenue for reemploying varying levels of unemployed workers will result in the following revenue for the state UI Trust Fund:

Reemploying 100 UI Claimants	\$547,800	Employing 100 new workers	\$22,800
Reemploying 1,000 UI Claimants	\$5,478,000	Employing 1,000 new workers	\$228,000
Reemploying 10,000 UI Claimants	\$54,780,000	Employing 10,000 new workers	\$2,280,000
Reemploying 50,000 UI Claimants	\$273,900,000	Employing 50,000 new workers	\$11,400,000
Reemploying 100,000 UI Claimants	\$547,800,000	Employing 100,000 new workers	\$22,800,000
$\$5,250 + \$228 = \$5,478$ per claimant		2.53% Avg. employer tax rate * \$9,000 = \$228 Avg. per employee	

## Integrity

The American Institute for Full Employment ("AIFE") cites work search integrity as the leading cause of improper payments in the UI system. According to the U.S. Department of Labor this accounted for 4.5% of claims nationally totaling over \$1.5 billion. The AIFE's research suggest the largest problem occurs when: 1) a state requires a claimant to contact two to three employers per week; 2) the claimant self-certifies that the contacts were made and 3) the state is unable or fails to catch claimants who are intentionally or unintentionally reporting activity that never occurred.



The U.S. Department of Labor tracks data on fraud, waste and abuse in the Unemployment Insurance System. Ohio experiences an improper payment rate of between 10 to 11.99% as

depicted on the map<sup>4</sup> above. Figures displayed are not actual improper payment rate and dollars but an estimate based on results of the State Benefit Accuracy Measurement (BAM) survey sample (random audits) of paid and denied claims in three major UI programs: (1) State UI, (2) Unemployment Compensation for Federal Employees (UCFE), and (3) Unemployment Compensation for Ex-Service Members (UCX).

Ohio and many other states have limited administrative resources to ensure federal conformity with U.S. Department of Labor requirements. One integrity issue is to reduce the likelihood of improper payments by collecting overpayments. DOL does also track UI overpayment recovery. The average UI overpayment collection rate is 78.18% throughout the U.S., and Ohio nearly hits this mark at 77.23%.

The recovery rate<sup>5</sup> is the ratio of the amount of improper overpayments recovered to the amount of improper overpayments established. The chart below depicts the most recent data available, showing we still have just under \$7 million annually that is not recovered. If ODJFS is unable to recover this amount, the cost gets mutualized and every employer ends up paying more.

The state UI agency needs the tools to focus on integrity in benefit determinations, identification of fraud and overpayments, and the collection of overpayment amounts.

State Total Overpayments Established and Recovered					
July 2015 to June 2016					
ST	UI + EB + EUC Overpayments Established	UI + EB + EUC Overpayments Waived	UI + EB + EUC Adjusted OPs Established +	UI + EB + EUC Overpayments Recovered	Not Recovered
OH	30,749,614	\$417,935	\$30,331,679	\$23,424,824 77.23% recovered	\$6,906,855 22.77%

**Recommendation:** Provide additional time for ODJFS to collect overpayments. There are 26 states that do not limit the amount of time to collect an overpayment. Ohio should extend the statute of limitations for recovering overpayments for claims involving non-fraud from 3 years to between 4 and 10 years. This would make it consistent with the Ohio Department of Taxation's statute of limitations for tax assessments found in Ohio Revised Code 5747.13(A) at four (4) years or up to the plenary restriction on collection in ORC 5703.58 of 10 years for most taxes or 7 years for use tax. In addition, the state should eliminate the statute of limitations on collection of overpayments involving fraud. If benefits were improperly paid, the state should have more time to collect instead of placing the burden of millions of dollars in uncollected overpayments on the backs of Ohio employers. This provision will also help ensure employers do not pick up the cost of uncollectable overpayments in the mutualized tax.

<sup>4</sup> <https://www.dol.gov/general/maps>

<sup>5</sup> [http://oui.dola.gov/unemploy/overpay\\_recovery.asp](http://oui.dola.gov/unemploy/overpay_recovery.asp)

## **Affordability/Benefits**

No qualified UI claimant will ever suffer without an unemployment compensation check because the state UI Trust Fund is insolvent. The only question is whether the state has enough in its account or needs to borrow from the Federal Unemployment Account (FUA). During the most recent recession benefits significantly overshadowed the revenues – simply put, the checkbook was unbalanced. It is a very reasonable approach to look at both raising revenues and mitigating expenses in the UI system similar to addressing personal finances or a company's budget. The benefit payout overhang in many states continued longer than previous recessions due to the lack of significant job growth and the continuation of benefit payment provisions. In many states, including Ohio, extended benefits and emergency unemployment compensation amounted to 99 potential weeks of benefits. A number of states across the country have taken action to reduce benefit payout through the reduction of the potential number of weeks of benefits, changes in the determination of the weekly benefit amount, and requiring a waiting week.

### **Exempting UI benefits from state income tax**

We also researched the idea of exempting UI from state income tax as proposed by the Ohio Manufacturers' Association in their testimony on October 20. There are 41 states that tax wage income. Of the remaining states, six states completely exempt unemployment benefits from tax (California, New Jersey, Oregon, Montana, Pennsylvania, and Virginia). Two states (Indiana and Wisconsin) partially exempt a fixed dollar amount of benefits from state income tax but tax the rest. The remaining states fully tax unemployment benefits.

### **Weekly Benefit Amount**

Ohio's current maximum weekly benefit amount is higher than the national average and higher than any surrounding state except Pennsylvania. Ohio's maximum benefit amount is 10<sup>th</sup> highest in the nation. Using 4<sup>th</sup> quarter 2015 data from US DOL, the average weekly benefit of \$345.92 is higher than the national average of \$335.17 and ranks 17<sup>th</sup> highest.

State	Average Weekly Benefit Amount
Indiana	\$260.80
Kentucky	\$312.91
Michigan	\$292.69
Ohio	\$345.92
Pennsylvania	\$392.28
West Virginia	\$308.52

**Recommendation:** Freeze Ohio's weekly benefit amount until the trust fund is solvent. First, this was part of the UCAC's original recommendations agreed to by business and labor. Second, nineteen states, including Michigan and Indiana, do not have automatic increases in the maximum weekly benefit amount. Freezing the weekly benefit amount does not take benefits away from UI claimants; it simply does not permit the amount to increase each year while the fund is rebuilding.

### Dependency Allowance

Like many other states, Ohio provides alternative safety nets for individuals that need assistance when they are out of work. These programs include food and cash assistance, TANF (work eligible individuals), child care as well as healthcare for the Medicaid eligible. Ohio recently expanded Medicaid to help all Ohioans, but that comes with a taxpayers' price tag of 5% of that expansion starting in 2017 and 10% starting in 2020. Fourteen state laws, including Ohio, provide for the payment of dependents' allowances. Those states include Alaska, Connecticut, D.C., Illinois, Iowa, Maine, Maryland, Massachusetts, Michigan, New Mexico, New Jersey, Pennsylvania and Rhode Island. Out of these states, Ohio has the **second highest** maximum benefit allowance.

State	Maximum Weekly Benefit Amount
Indiana	\$390
Kentucky	\$415
Michigan	\$362 (even with dependents)
Ohio	Claimants receive no more than 50% of their previous weekly wage, up to a maximum of: <ul style="list-style-type: none"><li>• \$435 for an individual with no dependents</li><li>• \$527 for an individual with one or two dependents</li><li>• \$587 for an individual with three or more dependents</li></ul>
Pennsylvania	\$573-\$581
West Virginia	\$424

**Recommendation:** Eliminate the dependency allowance. This was part of the UCAC's original recommendations agreed to by business and labor. A maximum weekly benefit amount of \$435 is in line with our surrounding states, and it eliminates an inequity between two identical UI claimants, one with dependents and the other without dependents.

### Maximum Number of Weeks

As ODJFS Director Cynthia C. Dungey stated in her August 5, 2014 testimony to a previous UC Study Committee, the maximum number of weeks for most state programs increased from 16 to 26 over the last 75 years since the UI program was established in 1935. Over the past decade, a number of states reduced the number of potential weeks of unemployment based on the total unemployment rate. More recently states began lowering the maximum weeks based on a sliding scale or reducing the maximum number of weeks from 26 to 20, or created a sliding scale depending on the unemployment rate.

State	Maximum Number of Weeks of UI
Florida	12 to 23
Georgia	14 to 20
Kansas	16 to 26
Michigan	20
Missouri	13 to 20
North Carolina	12 to 20
South Carolina	20

**Recommendation:** Consider reducing the maximum number of weeks from 26 to 20. Other states have utilized this approach to address solvency. Since there was opposition to moving toward a sliding scale of 12 to 20, reducing the maximum weeks to 20 would be a compromise.

## Taxes

Ohio employers *fully fund* the state's unemployment insurance program and pay over \$1.1 billion in annual state UI tax. Employees make no contribution into the unemployment trust fund. There has been no trend or significant benefit when imposing an employee tax in the three states that have done so: Alaska, New Jersey and Pennsylvania. Therefore, I would not recommend implementing such a tax here in Ohio.

Ohio employers pay a significant amount of required overhead costs for local, state and federal taxes. Both OSCPA and SHRM members' labor costs range between 30. to 75% for members in industries such as restaurants, hotels, manufacturing, construction as well as the financial and legal service industries. Any increase in government mandated expenses takes away from providing additional benefits to an employee's 401K, retirement, healthcare or other fringe benefits provided by the employer.

I've provided a sample breakdown from one business in the restaurant and hospitality industry below. These percentages over several hundred or thousands of employees add up quickly. We are talking about hundreds of thousands and some cases millions of dollars in payroll taxes. NOTE: Businesses have other types of significant human resource (HR) costs, including recruitment and retention, as well as operational costs such as property, equipment, office, marketing, etc. that minimize net profits to under 5 percent in some industries.

Sick Pay	0.08%
Vacation Pay	0.83%
FICA/Medicare/Unemployment	3.58%
Workers Compensation	0.59%
Hospitalization & Disability	2.60%
Hosp & Dis - Employee Contr	-0.91%
401k Savings Plan	0.29%
Employee Meals Provided	0.49%
	<u>7.56%</u>
Total Payroll	28.22%
Benefits as a % of Payroll	<u>26.78%</u>

We can minimize the Federal Unemployment Tax Act (FUTA) rate of 0.6% (or \$42 per employee) on employers by not borrowing again in the future. The following chart summarizes the State Unemployment Tax Act (SUTA) tax rates for Ohio employers.

Ohio Employer Contribution Rates	2008	2009	2010	2011	2012	2013	2014	2015	2016
Lowest Experience Rate	0.5%	0.7%	0.5%	0.7%	0.7%	0.3%	0.3%	0.3%	0.3%
Highest Experience Rate	9.2%	9.4%	9.4%	9.6%	9.1%	8.4%	8.5%	8.6%	8.7%
Mutualized Rate	0.2%	0.4%	0.2%	0.4%	0.4%	0.0%	0.0%	0.0%	0.0%
New Employer Rate (except construction)	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%
*Construction Industry	5.8%	5.8%	6.0%	6.4%	7.0%	7.7%	7.2%	6.5%	6.4%
Delinquency Rate	11.5%	11.8%	11.8%	12.0%	11.4%	10.5%	10.6%	10.8%	10.9%

As you can see from the table above, state unemployment contributions automatically go down when benefit payouts decrease during good economic times. The opposite is true during economic downturns – as benefit payouts increase employer experience rates increase. This is a function of the insurance system working, much like your home or auto policies.

The average per employee state UI taxes paid by Ohio employers is higher than other states in the region. However, the current tax rates do not generate sufficient revenue to cover benefits on an annual basis or to build solvency in the UI trust fund. Amendments to the current tax rates are needed to assure that the state UI tax structure is responsive to changes in the economy and capable of providing adequate funds to pay state UI benefit amounts as needed – over a reasonable time period – without borrowing from federal accounts.

UI tax rates should be set so as to enable Ohio employers to compete with their counterparts in other states and in the global marketplace. Tax rates that result in unexpected and significant increases in costs discourage job creation and result in a shrinking tax base. Recommendations in this study prescribe a balanced approach to address UI solvency and encourage job creation in Ohio, and propose to change the tax rates to distribute the cost of the UI system more completely across the full range of unemployment experience.

Both raising the taxable wage base or raising tax rates have been proposed by various groups in the past. ODJFS has projected that increasing the taxable wage base from \$9,000 to \$11,000 in 2018 and until the UI trust fund reaches a level of strength and solvency will provide an increase of \$300 million, from between \$1.3 to \$1.4 billion in revenue annually versus between \$1.0 and \$1.1 billion.

Employer Rate	2016 Rate	Taxable Wage Base	2018 Cost Per Employee
Lowest	0.3% (0.003)	\$11,000	\$33
Highest	8.7% (0.087)	\$11,000	\$957
Construction	6.4% (0.064)	\$11,000	\$704
Delinquent	10.9% (0.109)	\$11,000	\$1,199

**Recommendation:** temporarily phase in an increase in the taxable wage base from \$9,000 to \$11,000 in 2018 after the one time surcharge to repay the unclaimed funds is removed following 2017 and temporarily freeze MSL surcharges on employer rates. This suggestion was also part of the UCAC recommendations as a compromise between business and labor. Once the fund has been replenished the taxable wage base and rate reduction can be phased in to provide some relief to Ohio employers.



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## Miscellaneous Issues

### Bonding Future UI Debt

Although bonding is not the preferred solution as we generally do not support increasing long-term debt, in order to weather the next major economic downturn, the state should have a mechanism (as an option) to bond this type of debt instead of employers' incurring costly penalties. Doing so will provide a fixed interest rate for employer's to repay the loan rather than federal law automatically increasing employer's taxes by \$21 per employee each year after the state has maintained a federal UI loan balance for two consecutive years. The state would significantly improve its solvency position by repayment of the debt quickly by bonding it to avoid future FUTA tax increases on employers. In addition to automatically increasing FUTA taxes, federal law requires that states pay interest on outstanding loans and repayment of interest must be made from sources other than the state UI tax.

Adding the capability to bond any outstanding UI debt would provide the means for Ohio to repay any outstanding UI loans with a fixed repayment rate rather than carry a balance year after year with subsequent federal tax increases. The UI Trust Fund should be restored to a healthy and solvent position for long-term sustainability and should be prepared for future economic downturns.

**Recommendation:** Support efforts for a constitutional amendment to allow the bonding of unemployment debt. The Ohio Supreme Court case, *The State, Ex Rel. Shkurti v. Withrow* (1987), prevents the state from issuing bonds for the UC debt, which is how many of the other states paid off their recent loans from the federal government. Other states that use bonds or alternative financing to manage UI debt include: Colorado, Illinois, Michigan, Nevada, Pennsylvania and Texas. Legal authority (most by statutory authority) to use bonds or alternative financing is also available in Arizona, Arkansas, Connecticut, Idaho, Louisiana, Missouri, and Wisconsin.

### Self-Auditing

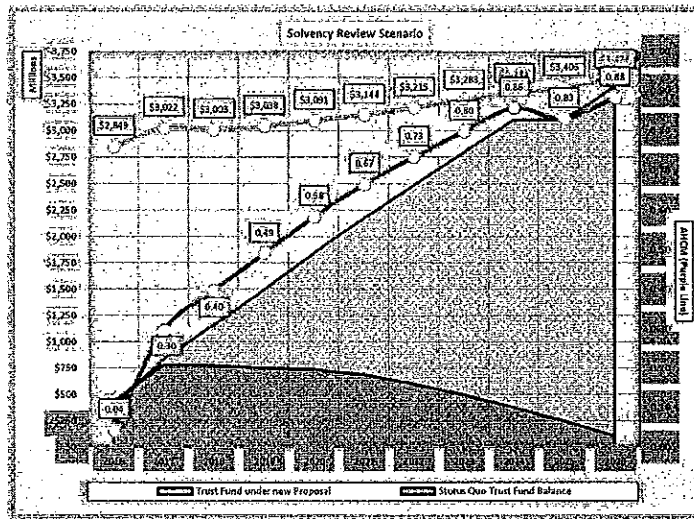
The ODJFS should consider offering employers an opportunity to self-audit if they meet certain criteria, such as no previous findings or reporting delinquencies. This option would save both ODJFS and taxpayer businesses the time and expense of an in-person review. Since the audit typically reviews tax records already filed with other agencies, ODJFS could create worksheets for the taxpayer/business to complete on-line for their review. This practice is used in the private sector for workers' compensation insurance in other states, commercial liability insurance premium audits and for various other taxes.

**Recommendation:** Permit employers to self-audit and reporting. If employers go through the time and expense of ensuring they are complying with state laws, they should be able to do so without penalty.

## Conclusion

I asked the staff at ODJFS to provide a model to estimate where the UI Trust Fund would be by 2026 if the quantifiable changes were made to Ohio's system. You will see in the chart below that we can achieve a strong state UI Trust Fund through increasing the taxable wage base in 2018 to \$11,000, freezing the MSL employer surcharges, freezing the base rate triggers automatically increasing benefit levels, reducing the maximum number of weeks to 20, and eliminating the dependency allowance. There are several changes mentioned above and additional changes suggested by other organizations that are much more difficult to quantify, but equally important to addressing the long-term solvency of Ohio's UI system.

A piecemeal approach to addressing the needs of Ohio employers, UI claimants and jobseekers will not produce as successful a result as implementing the complete package of reforms. The primary stakeholders in the UI system, legislative leadership in both houses and the Governor's office should be updated from ODJFS on a quarterly or semi-annual basis. If the fund recovers faster, then changes can be made to address both taxes and benefits at that time.



Chairmen Peterson and Schuring, and members of the committee, thank you for the opportunity to provide testimony today. I would be happy to answer any questions.



**ACT OHIO**  
AFFILIATED CONSTRUCTION TRADES

MEMORANDUM

To: Unemployment Compensation Reform Joint Committee  
From: Matthew A. Szollosi  
Date: November 3, 2016  
  
Re: Unemployment Compensation

Chairmen Schuring & Peterson:

Please be advised that ACT Ohio is a 501(c)(5) organization created to encourage economic and industrial development opportunities, and to facilitate utilization of industry-best practices for Ohio's public and private construction. I am here to speak to the detrimental impact of ill-advised unemployment compensation benefit cuts (such as those offered in HB 394) on the construction industry, and specifically our 14 regional councils, 137 local affiliates, and 92,000+ members across the state, and to set forth ideas for achievement of solvency.

As I have set forth in the past, building a balance that meets federal DOL minimum safe levels will position Ohio and its skilled construction workforce to weather the storm when the next economic downturn hits.

Our organization supported HB 390 which extinguished the remaining balance owed to the federal government in June. It was a significant step forward, and ensured our 14,000 contractors would not be hit with additional federal tax penalties after the first of the year.

To be clear, the construction industry is a major component of Ohio's economy.

According to Industrial Information Resources, a leading private sector industrial research database, heavy industrial projects kicked off or completed in just the past 24 months equates to 199 projects worth \$9.21 billion. Add to this total the over \$9 billion in Transportation

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and Capital Budget-approved appropriations, and one can see the impact construction has on Ohio's marketplace.

I challenge you to find a better example of labor-management cooperation than what exists in Ohio's construction industry.

On the organized side, several billion dollars in health insurance and retirement funds are all jointly and professionally administered with equal numbers of management and labor Trustees.

As many of you know, we have over 80 multi-million dollar, state of the art apprenticeship training centers, all 100% privately funded through employer contributions and member deductions.

The numbers speak for themselves. According to the Ohio Department of Job & Family Services, Office of Workforce Development, please see the following statistics:

- Total Ohio registered apprentices in Construction – 10,550
- Total Ohio registered apprentices in Joint Construction programs – 8,730
- Total Ohio registered apprentices in Non-Joint Construction programs – 1,820
- Total Ohio registered apprentices within ABC chapters (Southwest Ohio, Central Ohio, Northeast Ohio Chapters) – 586

Conservative estimates, based on U.S. Department of Labor filings indicate that ACT Ohio affiliates in partnership with our contractors invested more than \$50 million dollars in 2015 in apprenticeship training alone.

Why do our affiliates and partner-contractors invest this much in training?

To ensure that our contractors have access to highly skilled, highly trained, drug tested, experienced, safe and productive construction workers.

For our approximately 14,000 signatory contractors this is necessary to exceed the expectations of customers and insure profit. Without our contractor-partners' success, our members don't go to work.

Unemployment compensation is an absolutely essential component to this equation, not only to help make ends meet for the worker, but to maintain a qualified, skilled workforce for Ohio's construction contractors. If you ask most contractors across Ohio (union or non-union) what their primary concern is for the foreseeable future, the answer is likely to be "the availability of skilled, trained workers." Having worked closely with Jobs Ohio and the Administration on the \$6.5 billion project in Belmont County, I can assure you investors share the same concerns.

This is why you have repeatedly received testimony against unemployment cuts from the Associated General Contractors of Ohio and the Ohio Contractors Association. As eloquently stated in the joint testimony submitted by the AGC and OCA:

"The seasonal nature of construction in Ohio makes it challenging to recruit and retain a skilled labor force. ... Like many other industries dependent on skilled labor, contractors have identified their ability to fill craft positions as their top concern. Some of the changes to benefits contained in the as-introduced version of HB 394 would push the industry's skilled workers and future workforce into other areas of employment, exacerbating the need for qualified workers." (Submitted January 12, 2016; September 15, 2016)

Benefit-cutting initiatives such as those set forth in HB 394 have the potential to drive thousands of our members out of the construction industry. This is not an acceptable outcome for our industry, nor is it in the State's best interest from an economic and industrial development standpoint.

#### Benefit Eligibility – Number of Weeks

HB 394 as-introduced proposed to reduce the overall number of weeks from the current maximum of 26 weeks to 12-20 weeks, depending on the state's standard unemployment rate. Let me be clear, *in construction*, oftentimes 26 weeks is not enough, because weather coupled with a slow start can easily lead to extended time off.

AM 1532 attempted to step in the right direction by eliminating construction workers from the 12-20 week sliding scale. However, any reduction from the 26 weeks hits the construction industry disproportionately hard.

My recommended solution would be to maintain the 20 week initiative, but allow for construction workers to escalate to 26 weeks on the condition they earn the additional 6 weeks' worth of benefits. In other words, if one of our members only worked 22 in her benefit year, weeks, then she caps out at 22 weeks of benefits. This provision closely resembles current law and would give our contractors and members the necessary reassurance that the benefits would be there in the event of an extended layoff.

Additionally, an increase in the top tax rate of 1.0% is not unreasonable.

#### Dependency Classifications

The bill proposed to eliminate the dependency classifications and establish one rate, at the lowest rate available. Under current law there are three tiers of claimants. A claimant's weekly benefit amount will be based upon the person's "average weekly wage." For a construction worker making roughly \$30 per hour on the check: Classification A (single claimant) \$435 per week; Classification B (up to 2 dependents) \$527 per week; Classification C (more than 2 dependents) \$587 per week. By eliminating the dependency classifications, HB 394's provisions would have resulted in all claimants being put in a single class, which would

have resulted in a weekly reductions of \$92.00 per week or \$152.00 per week respectively, depending on the claimant's number of dependents for many of our members.

#### Additional Waiting Week

The bill as introduced proposed to add an additional waiting week every time a claimant takes a job and earns more than the equivalent of one week's benefits. This would have completely handcuffed our affiliates that send guys out on short-duration calls because it would effectively penalize workers by making them wait an extra week to renew their unemployment after a short call.

AM 1513 appeared to modify this situation by establishing the earnings period be the equivalent of 3 weeks earnings as opposed to one. However, even if AM 1513 becomes part of the bill, the additional waiting week (or penalty week) imposed every time a worker takes a call that exceeds roughly \$1700 is unduly burdensome and again hits the construction industry disproportionately severe.

Our strong preference is current law, which has one waiting week per benefit year.

#### Earnings Requirements for Eligibility

The bill proposed to stiffen eligibility requirements by requiring earnings in 3 of the 4 most recent quarters. Current law requires earnings in 20 weeks to be eligible for 20 weeks' worth of benefits, and steps up to 26 weeks from there. An alternative base period which actually allows for consideration of the 4 most recent completed quarters has also been utilized if necessary to help establish eligibility.

In construction, it is relatively common for projects (particularly outdoor projects) to scale back or shut-down from November through March in Ohio. In economic downturns, unemployment for construction workers can easily exceed six months.

AM 1514 changes the bill to require earnings in 2 of the 3 most recent quarters, which is worse for our affiliates than 3 of the 4 most recent months. In either scenario, when these workers apply for benefits in the future, they could be summarily denied causing significant hardship, and unfortunately, an exodus of skilled workers from the industry.

Again, I urge the committee to maintain current law with regard to this issue.

There are numerous other provisions of HB 394 that are objectionable, including the Employee Handbook, the Social Security offset, Lockout exclusions and more. Accordingly, I urge you to scrap the ill-advised bill entirely as it was an absolute train-wreck for the construction industry.

### Solutions

The goal for this process is to achieve certainty. Employers want to be certain that these punitive tax penalties do not recur. Workers want certainty that, in the event of another Great Recession, much-needed benefits are available to help make ends meet. Fiscally responsible legislators and administrative officials want certainty that our State doesn't need to borrow from the federal government again to meet our obligations.

### What Won't Work

HB 394 was premised in large part on two factors: (1) making it even harder for unemployed Ohio workers to qualify for unemployment compensation benefits, and, (2) initiating deep benefit cuts for workers that do qualify.

First, according to ODJFS, only 24% of unemployed Ohio workers even qualify for UC benefits due to Ohio's rigid earnings requirements. To be eligible, an Ohio worker must have earnings at or above 27.5% of the state's average weekly wage, which in 2016 equates to \$243. Based on DOL data, this is the highest qualifying amount in the country. This is not a statistic to be proud of.

Second, the proposed benefit cuts to eligible workers was the legislative equivalent of kicking them while they were down. Contrary to popular belief by some, Ohio's workers, particularly construction workers, do not want to sit at home on unemployment.

As explained by Bruce Madson from ODJFS a couple months ago, only nine other states have *fewer* workers exhaust their unemployment benefits than Ohio, and more than 66% of Ohio's claimants had wages in the first three months after their claims were allowed. The average benefits over the past year was less than \$350 per week, roughly \$18,000 on an annualized basis.

In short, HB 394 failed to meet the aforementioned goal of certainty on all 3 fronts.

By reducing benefits by an estimated \$475 million per year, HB 394 reduced employer premiums by \$313 million per year, because employer premiums are based on benefits paid. It was an ill-advised attempt to cut its way to solvency, which according to ODJFS and LSC analysis, it failed miserably to do. Financially, it failed to provide employers certainty that future federal tax penalties would be avoided. It failed to give legislators certainty that federal borrowing would not be necessary in the future.

From a societal view, HB 394 all but guaranteed more Ohio workers would suffer. Please remember, *workers do not save money while on unemployment! Every dollar sent to workers gets invested in the economy*. Cutting eligibility and benefits for unemployed workers reduces discretionary spending in the marketplace, further exacerbating economic challenges during difficult times.

More specific to my industry, construction workers (union and non-union) would have taken a devastating hit, from both an eligibility and earnings standpoint.

Cutting benefits to try to achieve some semblance of solvency is not the answer. Cutting benefits to appease groups upset over employer tax increases is reactionary and short-sighted. Cutting benefits and changing the definition of solvency is not a prudent approach – this is not the time for legislative slight-of-hand. This is too important, and the solution needs to be comprehensive, and correct.

Inadequate revenue is the basis for the insolvency of the Unemployment Compensation Trust Fund, not inordinately high benefit levels. Employee contributions to aid revenue is a much more preferable route to achieve long term solutions.

#### Employee Contribution

Earlier this year, ACT Ohio proposed the concept of an employee contribution. First, if implemented correctly, it provides significantly more revenue than would be generated by cuts and additional eligibility hurdles, without the pain associated with those decisions. An employee contribution would help reduce the burden on employers, who have borne 100% of the cost to date – (i.e., employees would now have “skin in the game”). This approach parallels the Administration’s and Legislature’s goals to keep Ohio’s business climate amongst the best in the country. Most importantly, as part of a comprehensive plan including modest employer increases, certainty for employers and for workers would be achieved. This is the fiscally responsible approach to the issue of insolvency.

As you have heard, 3 other states have implemented an employee contribution, Alaska, New Jersey and Pennsylvania.

Alaska- 2016 - .50% on 1<sup>st</sup> \$39,700 in wages (max \$198.50)  
Employee contribution approximately 27% of trust fund revenue

New Jersey- 2016 - .3825% on 1<sup>st</sup> \$32,600 in wages (max \$124)  
Employee contributions approximately 15% of trust fund revenue

Pennsylvania- 2016 - .007 on total wages  
Employee contributions approximately 8% trust fund revenue

Over the course of numerous meetings, I have heard a range of arguments *against* the concept:

- It’s a trap being set by labor
- Business groups do not want labor “at the table”



- Of these, the fifth seems to me to be a legitimate issue. Although other states do require workers to contribute that do not qualify, the pool of workers that contribute with no opportunity for benefits in those states is much smaller, because eligibility requirements are not nearly as stringent as Ohio's.

Based on the most recently published *Federal Department of Labor Unemployment Insurance Data Summary*, earnings data for the State of Ohio for the past 12 months ending June 30, 2016 are as follows:

$$\$242,179,084,000 - 30\% = \$169,525,358,800$$
$$\$169,525,358,800 \times .0020 = \$339,050,717$$
$$\$475,000,000 \text{ in benefit cuts} - \$313,000,000 \text{ in premium reductions} = \$162,000,000$$

1<sup>st</sup> \$12,600 - exempt  
\$47,400 x .0020 = \$94.80

There are countless variations on how to apply the employee contribution model — the point I'm here to stress is there is another way to achieve solvency without adding additional hurdles to eligibility and cutting much-needed benefits to those who do qualify.

### Conclusion

The number one concern of investors looking at Ohio for their industrial development projects is the *availability of a qualified skilled workforce, particularly for construction*. Construction is one Ohio's core industries. Our industry has thousands of retirement-eligible workers, whose skills and experience are highly regarded by our most successful contractors. We have tripled our efforts to bring in larger and more frequent apprenticeship classes to accommodate for the near record levels of demand for skilled manpower.

Our industry, management and labor, is expressing to this Committee in very clear terms the damage a 394-type bill would do with regard to (i) expediting the exodus of the most coveted workers from our industry, and, (ii) magnifying the challenge of bringing the next generation of workers into construction.

Increasing eligibility hurdles when only 24% of Ohio's unemployed qualify now is not good policy. Cutting unemployed workers benefits that, on average when annualized equate to poverty level is not good policy. Not only would such an approach hurt Ohioans, the gains realized towards solvency are insufficient.

This Legislature has shown time and again its desire to be fiscally responsible. By implementing an employee contribution to offset the employer costs, significant revenue gains can be made during good times, to ensure certainty for employers and workers during down times.

I would encourage re-utilization of the Unemployment Compensation Advisory Council, which was established to make recommendations on unemployment compensation (HB 394 abolishes the UC Advisory Council, which is mystifying). No matter when a bill passes, it has to be right.

Once again, thank you very much for your time and consideration. I appreciate the opportunity to address this very important issue with you. Please let me know if you have any questions or comments, or if I can be of assistance to you or your colleagues.

Matthew A. Szollosi

Written



## LABORERS' DISTRICT COUNCIL OF OHIO

*President:* Robert E. Richardson  
*Vice President:* Anthony Liberzone, Jr.  
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*Executive Board Members:*  
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*Affiliated with:*  
Laborers' International Union of North America-AFL-CIO  
Ohio State Building & Construction Trades Council  
Ohio AFL-CIO



Ralph E. Cole  
*Business Manager/*  
*Secretary Treasurer*

October 19, 2016

Sen. Bob Peterson  
Chairman, Unemployment Compensation Reform Joint Committee  
One Capitol Square  
Columbus, Ohio 43215

Unemployment Compensation Reform Joint Committee

Dear Chairman Peterson:

My name is Ralph E. Cole and I am the Business Manager/Secretary Treasurer of the Laborers' District Council of Ohio. The Laborers' District Council of Ohio represents 25,000 highly skilled tradesmen and women throughout the state of Ohio.

I am writing to express my concern regarding certain provisions that have been discussed that would adversely impact the construction industry in Ohio. While I understand that certain reforms may be necessary to ensure the long term solvency of Ohio's Unemployment Compensation Fund, the current discussion revolving around benefit eligibility, the reduction of the maximum number of benefit weeks, and increasing the number of weeks before benefits are provided are extremely problematic for the construction industry.

Provisions that have been discussed would require an individual to have earned wages in at least three of the four calendar quarters in order to be eligible for unemployment benefits. The three of four quarter requirement would be especially burdensome for the construction industry. Due to the cyclical nature of the construction industry, many of our members are laid off during the winter months and often fail to earn wages during one of the yearly calendar quarters.

During a recession or a time of economic downturn, the construction industry continuously sees a disparate impact, in terms of the level and duration of unemployment. According to the U.S. Bureau of Labor Statistics (BLS) the construction industry lost more jobs in four out of the last six recessions than any other industry sector. Most recently, the construction industry lost twenty percent of its jobs between 2007 and 2012 according to the BLS. Additionally, BLS data shows that unemployment numbers in the construction industry continued to rise months after the two most recent recessions ended.

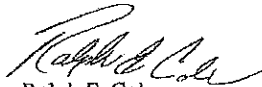


Based on the data, it's clear that the construction industry is affected more severely and longer than almost all other industry sectors. Because of these facts, a change in the number of weeks which a claimant may receive unemployment benefits from 26 weeks to 12-20 weeks would have detrimental effects on hard working members of the skilled construction trades.

Currently, a jobless individual waits a single week per year before they are eligible for unemployment benefits. Under the bill, there would be an extra waiting week each time an individual has a week with earnings above the weekly benefit amount.

It is clear that Ohio's Unemployment Compensation Fund is in need of reform to ensure benefits are available for future generations of workers experiencing job loss. However, some of the provisions that have been discussed seem to be counterproductive and overly burdensome to the construction industry. I urge you to consider changes that are fair to both employer and employee.

Sincerely,



Ralph E. Cole  
International Vice President  
Business Manager/Secretary Treasurer



## Ohio Association of Community Action Agencies

50 West Broad Street, Suite 1616, Columbus, Ohio 43215  
Phone: (614) 224-8500 • Fax: (614) 224-2587 • [www.oacaa.org](http://www.oacaa.org)

Written

Tom Reed  
*President*

David E. Brightbill  
*1<sup>st</sup> Vice President*

Gwen L. Robinson  
*2<sup>nd</sup> Vice President*

Ruthann House  
*Treasurer*

Janice W. Warner  
*Secretary*

Philip E. Cole  
*Executive Director*

### Testimony before the Unemployment Compensation Reform Joint Committee

Philip Cole, Executive Director  
Ohio Association of Community Action Agencies  
November 3, 2016

Good morning Chairman Peterson, Vice Chair Schuring and distinguished members of the Joint Committee. My name is Phil Cole, Executive Director of the Ohio Association of Community Action Agencies and I am here today to offer testimony on H.B. 394. I appreciate the opportunity to present my testimony.

The Ohio Association of Community Action Agencies represents the interests of Ohio's forty-eight community action agencies. We serve the needs of low-income people in all of Ohio's eighty-eight counties. We are locally-controlled, private corporations that administer over \$600,000,000 of resources in Ohio, aimed at alleviating the problems of poverty in Ohio's communities. We employ over 6,500 people. And we provide service to over 800,000 individual Ohioans.

We understand your challenge trying to fix a system in the middle of an unprecedented transition in the national economy. But, I want to begin at the beginning. Unemployment compensation was created for two purposes. The first is to be a support for workers who lose their jobs and are left without employment. The second is to be a stimulus to the economy since it was assumed when unemployment insurance was created that the jobs would usually be lost because the economy was performing poorly and unemployment compensation would also serve as a stimulus. I hope the Joint Committee will keep these reasons in mind as you complete your work.

What we know is that in a transitional economy such as Ohio and the U.S. are now facing, the General Assembly is in a difficult position as it tries to solve the problems facing the system, and to also take care of the needs of workers and employers. We have met with representatives of the Chamber of Commerce and we have met with former Rep. Sears in an attempt to understand the legislation and I believe we understand your challenge.

You know the issues and I believe you also know that Community Action Agencies are concerned with the ability of people in poverty to pull themselves out of poverty as well as our concern for those who live on the edge of poverty to not fall into it. A strong unemployment compensation system is needed. I will not rehash the problems we see in the current legislation with the drop in covered weeks of unemployment, or the unfairness of the employee handbook issues and others; many people more eloquent than I have spoken to them. What I want to do is look at the information coming from

*OACAA exists to support its members and to strengthen a unified Community Action presence in Ohio*



the Governor's Executive Workforce Board and apply that to the solutions that have been suggested.

The Governor's Office of Workforce Transformation and the Governor's Executive Workforce Board have discussed studies about the future of jobs and employment in Ohio. My Board (the OACAA Board) has discussed these studies and many of you have read the reports of them in Gongwer and other places. The knowledge that around 47% of occupations could be phased out in the coming years because of our advances in technology is not news any longer, nor is the possibility that about 65% of elementary school students will be employed in jobs that have yet to be created. The only thing we know for certain about jobs is that the future will be far different than the present.

Because we are concerned about all workers, but most of all those at the lowest wages, we believe that the information we now have means that fixing our current problems without new revenue sources may not be enough. We ask, for the protection of both workers and employers, that you consider two of the new revenue streams that have been proposed in earlier hearings.

Policy Matters Ohio suggested that a small employee tax be considered. If no other solution could be reached, we could be in agreement if the tax exempted minimum wage workers. That would mean the tax would not apply to the first \$16,848, which is the Ohio minimum hourly wage for a forty hour week for fifty-two weeks. This is a small tax that could do much to bring solvency to the system while not being unfair to our lowest paid workers.

Second, the Ohio Manufacturers Association suggested the issuance of bonds to finance any future debt. While this is not a perfect solution, it is better than borrowing from the federal government. We ask that you strongly consider seeking a change in the Ohio Constitution to issue these if the problem would occur in the future.

The OMA also discussed the possibility of exempting unemployment compensation from the state income tax. They may not have been advocating for it, but we will. We believe this makes sense and is the correct economic thing to do. If unemployment is to help stimulate the economy, Ohio should get as much of the money into circulation as possible. And, these low wage workers need it to survive.

Again, we recognize the difficulty of your task and we thank you for taking it on. I have great faith that the solution you develop will be fair to Ohio's workers and their employers.

Philip B. Cole  
Executive Director  
Ohio Association of Community Action Agencies  
50 West Broad Street, Suite 1616  
Columbus, OH 43215  
614-224-8500

Written

Unemployment Compensation Reform Testimony  
Peter Tamborski  
General Counsel, Sugar Creek Packing Company  
November 3, 2016

Chairman Bob Peterson, Chairman Kirk Schuring and members of the Unemployment Compensation Reform Joint Committee, my name is Pete Tamborski and I am the General Counsel for Ohio-based Sugar Creek Packing Co. Founded in Washington Court House, OH in 1966, SugarCreek has enjoyed a mutually beneficial relationship with Ohio for the past fifty years and is committed to maintaining that relationship moving forward. As a privately held business, we feel a very personal sense of responsibility to the companies we serve, as well as to the associates who are members of our team. The company has grown into a diversified, innovative and flexible food manufacturer driven by creating a safe environment both for our products and our employees. We co-develop Brandworthy Food Solutions and process products for many of North America's largest, best-known and most reliable food brands. Similarly, we are committed to maintaining active and significant relationships with the communities our facilities call home.

Currently SugarCreek does business in three states with six major facilities and we are deeply concerned with some recent trends in the adjudication of Unemployment Hearings in Ohio and respectfully request that you consider our concerns when the state legislature reconvenes later this year. As an Ohio corporation with over 2000 employees and approximately 1500 in Ohio, SugarCreek understands and appreciates the vital role the Ohio Unemployment Commission plays in supporting the transition between employment for Ohio's workforce. However, we do feel our concerns are legitimate and warrant serious consideration. These concerns stem from certain procedures and decisions reached in various Unemployment Hearings and are as follows:

- (I) *Hearing officers' failure to recognize violation of a business's no-fault attendance policy as "just cause" for termination;*
- (II) *Allowance of information or allegations at hearing provided by complainant but not specified in the actual complaint; and*
- (III) *Employee no-shows carry no repercussions while employer no-shows lead to awarding of benefits for employee.*

**A. No-fault Attendance Policy**

SugarCreek utilizes a no-fault point system in which new employees are initially allocated a set amount of points, and points are then taken away or earned back depending on the employee's actions. For example, a no-call, no-show results in a deduction of points, while working holidays adds back points. Ohio courts recognize these types of systems as legitimate and have held in isolated cases that terminations due to violations of these types of systems constitute "just cause" and thus disqualify employees from receiving unemployment benefits.

For a termination to meet the standard of "just cause," an employer must show the employee demonstrated an unreasonable disregard for the employer's best interest. As stated previously, previous Ohio cases have held violations of a no-fault attendance policy to constitute "just cause," even if some of the absences were due to reasons beyond the employee's control. However, when a

company terminates an employee due to violation of its no-fault attendance policy, hearing officers are not recognizing these terminations as "just cause" and are granting terminated employees unemployment benefits regardless of the violation.

For example, suppose an employee accumulated several points due to excessive absences or no-shows to the extent he or she was on the brink of being terminated. Then, the employee receives an additional point for an absence relating to a flat tire or something out of his or her control. The additional point causes the employee to be in violation of the no-fault attendance policy, and thus the employee is terminated. Although the violation of the no-fault attendance policy is what led to the employee's termination, the hearing officer only considers the final incident when determining whether the termination met the standard of "just cause." Deciding that the flat tire was out of the employee's control, the hearing officer finds in favor of the employee, completely ignoring the employee's unreasonable disregard for the no-fault attendance policy.

When a company gives its employees the opportunity for employment and flexibility, it should not have to bear costs imposed by employees with poor attendance records. Poor attendance already places additional costs on SugarCreek and certainly other manufacturing companies as well. SugarCreek employees are given ample opportunity to abide by and stay within the parameters of the no-fault point system. Barring any extenuating circumstances, if an employee violates the system, then his or her poor attendance record should constitute clear evidence of an unreasonable disregard for the employer's best interests.

Additionally, discrepancies in what a claimant initially alleges in his or her claim for unemployment compensation versus what that claimant actually alleges at the hearing create issues regarding the employers ability to investigate the claimant's allegations and to properly defend against such allegations if they are without merit.

#### **B. Employees' Presentation of New Allegations at the Hearing**

The second issue creating difficulties for businesses like Sugar Creek Packing is the presentation of new allegations at the hearing by the terminated employee. In several of our cases, employees have stated one thing on their claim for unemployment benefits or hearing paperwork and then presented a litany of other complaints or allegations at the hearing that have never been brought to the company's attention. Obviously, these hearings are not subject to the same evidentiary rules as courtrooms, but these hearings are supposed to comport with the notions of due process and fair play. If the business is going to be required to respond and defend against these types of claims, then it should at least be given the opportunity to conduct a fair and thorough investigation regarding the terminated employee's allegations.

For example, in previous hearings, employees fired for excessive absences suddenly come up with reasons for the absences never before mentioned to SugarCreek. For example, an employee may suddenly state at the hearing, "Well, I was sick, that's why I was absent." Yet, no mention or documentation of any illness or sickness had ever been brought to SugarCreek's attention previously. SugarCreek cares about its employees, especially about their well-being, but if we aren't made aware of



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a circumstance or a condition, then we have no way of working with the employee or providing any sort of accommodation. So again, we end up getting penalized for something through no fault of our own.

For these reasons, we feel it would be equitable for all parties involved if employees were required to include all allegations in their claim for unemployment benefits and hearing information requests. It would simplify the hearing process for all parties and it would provide the employer the opportunity to conduct a fair and thorough investigation of the allegations.

**C. Employee No-Shows to Unemployment Hearings**

The last issue involves claimants not showing up for the unemployment hearings. If an employer does not show for an unemployment hearing, the employee is automatically awarded benefits. However, if an employee fails to show for a hearing, nothing happens. The employer is forced to expend more time and employee resources to reschedule the hearing and readjust its schedule after having already done so. Obviously, there are extenuating circumstances, but absence some showing of an extenuating circumstance, the punishments for not attending should be equal for both parties..

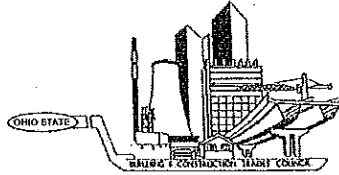
**Conclusion**

We are aware that making these kinds of changes to the existing structure of Ohio unemployment hearings is not an easy task. However, we strongly believe incorporating these concerns into future legislation regarding Ohio unemployment procedures will vastly improve the existing system and bring a greater balance and equity to the adjudication of these matters.

Your time and efforts in attending to these matters is greatly appreciated. Thank you for your time and consideration of our concerns. I am available to address any questions you may have.

Respectfully submitted by:  
Peter Tamborski  
General Counsel, Sugar Creek Packing Co.

Written



**OHIO STATE BUILDING AND CONSTRUCTION TRADES COUNCIL**  
222 E. Town Street • Columbus, Ohio 43215 • Phone (614) 221-3682 • Fax (614) 461-1328

**To:** Sen. Bob Peterson  
Rep. Kirk Schuring  
Members of the Ohio Unemployment Compensation Advisory Taskforce

**From:** Dennis Duffey, Secretary Treasurer- Ohio State Building & Construction Trades Council  
Mike Knisley, President- Ohio State Building & Construction Trades Council

**Date:** November 2, 2016

**Re:** Reforms to the Ohio Unemployment Compensation Fund

Chairman Peterson/Chairman Schuring

The Ohio State Building & Construction Trades Council (OSBCTC) represents 14 regional councils, 137 local affiliates, and over 92,000 members across Ohio. Our members represent the most, well trained, skilled, and highly productive construction workforce in Ohio. The OSBCTC takes great pride in being the voice for these skilled construction professionals.

Our local unions and signatory contractors work hand in hand to provide our members with work opportunities in both the public and private construction sectors. Additionally, our local unions and signatory contractors jointly fund and administer our apprenticeship programs without the assistance of taxpayers. We believe apprenticeship programs are vital towards ensuring Ohio has a well-trained and skilled workforce. According to the Ohio Department of Job & Family Services, Office of Workforce Development, Building Trades program participants represent over 82% of the registered construction apprentices in Ohio.

Having a trained and skilled construction workforce is vital to continue to attract new businesses and industries to the state, and for existing employers to expand. The OSBCTC, its members, and ACT Ohio have been at the forefront of local and statewide efforts to continue to build Ohio's economy. Thus, retaining skilled workers and enrolling new apprentices into our industry is vital not only for our industry, but also for the continued economic growth of Ohio.

Ohio's unemployment compensation system plays a critical role in supporting the development and retention of a skilled construction workforce. There are portions of the construction industry that nearly shut down during the winter months. For example, roadway construction and maintenance projects funded by the Ohio Department of Transportation typically shut down in November and don't restart until April or May. Additionally, due to the



cyclical nature of the industry, gaps in employment opportunities are commonplace. Everyday when our members go to work, they are working themselves out of a job. This is why any changes to the unemployment compensation system are going to disproportionately impact our members.

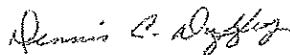
Unemployment compensation benefits are critical to ensure that our industry is able to function. If our members experience significant periods of unemployment and are not provided a safety net to support themselves and their families, many will exit the industry for other jobs. This means the next time that General Motors, Ford, the Cleveland Clinic, Honda of America, or other large or small employers want to expand their operations Ohio will not have the construction workforce prepared to do the job.

The signatory contractors of the OSBCTC pay some of the highest unemployment compensation premiums in Ohio because of cyclical nature of construction. Often our members will be referred through our hiring hall systems to work for several different contractors throughout the year. This results in these contractors not only paying high rates, but also paying on significantly more employees. Thus, while our members may utilize the unemployment compensation system more often than employees in other industries, our employers contribute significantly more than other employers.

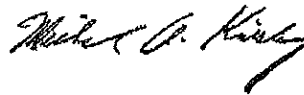
The OSBCTC recognizes that changes must be made to the unemployment compensation system in Ohio. Long term solvency is key not only for the construction industry, but also to prevent Ohio from going into debt to the federal government during the next economic downturn. The OSBCTC supports the reforms proposed by ACT Ohio. Our members and our industry depend on an unemployment compensation system that provides benefits for extended time periods. Without a system in place, the skilled construction trades industry may no longer be able to be a key component in economic development in Ohio.

Thank you for your careful consideration on this critically important issue. Please feel free to reach out to us with any questions.

Sincerely,



Dennis C. Duffey  
Secretary-Treasurer  
OSBCTC



Mike Knisley  
President  
OSBCTC

Written

**COLUMBUS  
CHAMBER  
OF COMMERCE**

150 S. Front St. Ste. 2020  
Columbus, OH 43215

T (614) 221.1321  
columbus.org

November 3, 2016

Dear Co-Chairs Peterson and Schuring, and Members of the Unemployment Compensation Joint Reform Committee:

Founded in 1884, the Columbus Chamber of Commerce (CCOC) is the leading voice of business within the 11-county Central Ohio region, with more than 1,300 members employing over 500,000 workers.

The CCOC would like to thank members of the legislature for fulfilling your commitment to repayment of the outstanding debt owed to the federal government. Elimination of future Federal Unemployment Tax penalties and a subsequently reduced rate will be a relief to many employers.

As part of legislation authorizing repayment of the debt, House Bill 390, the Ohio General Assembly passed and the Governor approved language to impose on all experience-rated employers an increased contribution rate of 0.5 percent in the case of future federal borrowing. H.B. 390 also stated that it was the intent of the legislature to repeal the increase if and when long-term reforms to the unemployment compensation system are adopted.

Because of that language, CCOC doubly supports swift and comprehensive reform of Ohio's unemployment compensation system to achieve long-term solvency of the fund. Not only is it a broken system that needs to be repaired, but Ohio employers are also in jeopardy of paying a higher rate in the event of an inevitable recession and the future need for federal borrowing.

As an organization representing and advocating for the needs of over 92 different industry segments in the Columbus region, we request that you take into account factors that could hinder the ability of workers to do their jobs for extended time periods, such as the length and severity of Ohio winters. Further, while achieving solvency of the fund is priority for the region's business community, we believe the methodology should be sound and balanced, and the conversation should be inclusive.

We look forward to continuing to work with you and your colleagues.

Thank you.

Sincerely,

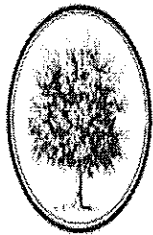
Holly F. Nagle  
Vice President, Government Relations

**From:** The Buckeye Institute

**Sent:** Thursday, November 10, 2016 12:43 PM

**To:** Rep48

**Subject:** The Buckeye Institute's new report says to military families: We have your back!



# THE BUCKEYE INSTITUTE

Contact: Rea S. Hederman, Jr.  
(703) 402-9349 or [Rea@BuckeyeInstitute.org](mailto:Rea@BuckeyeInstitute.org)

**FOR IMMEDIATE RELEASE**

November 10, 2016

## **THE BUCKEYE INSTITUTE'S NEW REPORT SAYS TO MILITARY FAMILIES: WE HAVE YOUR BACK!**

COLUMBUS, OHIO--On Thursday, just in time for Veterans Day, The Buckeye Institute released its policy solution and new report to address the current injustice against military families who were relocated here from other states and whose jobs require professional licensing.

Tomorrow is, of course, Veterans Day.

The Buckeye Institute will observe the holiday and honor the men and women who have served our great nation.

Additionally, we have a small gift for the family members of those who serve in Ohio. It's a policy idea we came up with and are going to promote and fight for until these family members' education, ability to practice their professions, and comfort residing in our state as professionals are fully respected.

Read on.

On the 11<sup>th</sup> hour of the 11<sup>th</sup> day of the 11<sup>th</sup> month in 1918, the parties fighting World War I signed an armistice that ended four years of devastating conflict.

On this historically important day, it is right that America honors its military veterans as well as those who remain in active service.

But there is more. Let us not forget their families and the sacrifices they make while their loved ones serve.

On average, military families move around the country once every three years. These families must adjust to new living quarters, schools, and even unfair regulations that govern career opportunities for civilian members in a family with a service member.

States are now requiring more and more occupations to be licensed, which means that these family members of service members who move from state to state must seek government permission each time they are relocated in order to continue working in their chosen field.

Almost three-fourths of military spouses who have an occupational license have to get a new license when they move to another state.

For military families, this burden is a true economic burden and hardship. They are being penalized for having to move between states. Some state licensing requirements and processes take almost as long to complete as a family may be stationed in that state. The result of these policies is that the unemployment rate of military spouses has increased far faster than among comparable civilians.

We are actively working to remedy this injustice in Ohio, and will then begin pushing to do so in other states.

The Buckeye Institute is proud to honor our military families and veterans by issuing our latest policy brief explaining how the state of Ohio can help reform these unjust regulations. The solution is commonsense: allow workers in military families to practice their profession in Ohio by recognizing out of state licensing. Recognizing their existing credentials means that if they are licensed in another state, Ohio will consider them respectively licensed in Ohio and they will be

allowed to work here without further schooling or hoops to jump through.

Today and everyday, but especially tomorrow, we need to honor our military families and veterans. Here at The Buckeye Institute, we insist that the family members of service members have their experience, education, and sacrifices counted too.

Please join us by supporting our work to end this terrible injustice against military spouses and family members who sacrifice so much as they are moved from state to state.

Now is the time for Ohio to give jobs and dignity back to those who give the most for us.

###

**BACKGROUND:** Founded in 1989, The Buckeye Institute is an independent research and educational institution--a think tank--whose mission is to advance free-market public policy in the states.

The Buckeye Institute is a non-partisan, non-profit, and tax-exempt organization, as defined by section 501(c)(3) of the Internal Revenue code. As such, it relies on support from individuals, corporations, and foundations that share a commitment to individual liberty, free enterprise, personal responsibility, and limited government. The Buckeye Institute does not seek or accept government funding.

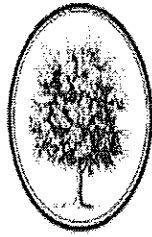
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Sent by [info@buckeyeinstitute.org](mailto:info@buckeyeinstitute.org)

**From:** The Buckeye Institute  
**Sent:** Tuesday, November 15, 2016 8:05 AM  
**To:** Rep48  
**Subject:** Lunch today on civil asset forfeiture



## THE BUCKEYE INSTITUTE

**Reminder: please join us for a lunch** The Buckeye Institute is co-hosting today in the Ohio Statehouse at 11:30 where we will be discussing the important issue of civil asset forfeiture reform. Further details are below, and if you need further convincing, City Barbeque is catering it for us.

**We hope you can make it!**

One of the primary functions of government is to protect property rights. But what happens when government itself is threatening your property?

Civil asset forfeiture laws, as currently written, actually allow government to take property from individuals who have never been charged with a crime and never will be.

Policymakers are considering reforms that would go a long way to secure property rights of innocent Ohioans, and The Buckeye Institute is leading that charge.

The Buckeye Institute is co-sponsoring a luncheon--details below--and cordially invites you to come and learn more about the problems with current civil asset forfeiture laws and to hear some policy solutions.



Buckeye's own lawyer and Criminal Justice Fellow is moderating the panel discussion and lunch is provided.



THE BUCKEYE INSTITUTE



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FOR A LUNCHEON DISCUSSION ON HOW

**Ohio Can Improve Private Property Rights  
and Constitutional Rights by Reforming  
Civil Asset Forfeiture**

MODERATED BY DANIEL DEW OF THE BUCKEYE INSTITUTE

**DATE:**  
**TUESDAY**  
**NOVEMBER 15**

**TIME:**  
**11:30 A.M. TO**  
**12:30 P.M.**

**LOCATION:  
OHIO STATE HOUSE  
IN THE STATE ROOM**

LUNCH CATERED BY CITY BARBEQUE

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**QUESTIONS OR TO RSVP**  
please email Michael Hough at [mike@ffcoalition.com](mailto:mike@ffcoalition.com)

###

Founded in 1989, The Buckeye Institute is an independent research and educational institution—a think tank—whose mission is to advance free-market public policy in the states.

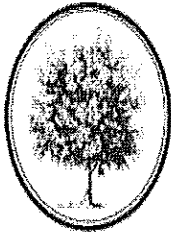
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Sent by [info@buckeyeinstitute.org](mailto:info@buckeyeinstitute.org)

**From:** The Buckeye Institute  
**Sent:** Wednesday, November 16, 2016 10:41 AM  
**To:** Rep48  
**Subject:** New Policy Briefs on Civil Asset Forfeiture and Expanding Healthcare



# THE BUCKEYE INSTITUTE

Contact: Greg Lawson, Senior Policy Analyst  
(614) 224-4422 or [Greg@BuckeyeInstitute.org](mailto:Greg@BuckeyeInstitute.org)

**FOR IMMEDIATE RELEASE**  
November 15, 2016

## **Defending Property Rights and Expanding Healthcare in Ohio**

COLUMBUS, OHIO--On Tuesday, The Buckeye Institute released Policy Briefs on two important issues for the General Assembly to address in its "lame duck" session.

First, an overwhelming majority of Ohioans favor reforming Ohio's civil asset forfeiture laws in order to better protect private property, rebuild trust between law enforcement and communities, and enhance government transparency. Civil asset forfeiture allows the government to take ownership of a citizen's private property through a *civil* lawsuit on suspicion that the property was part of *criminal* activity. Shockingly, Ohio law allows assets to be forfeited to the state *without* a criminal conviction. The Buckeye Institute's new Policy Brief explains how to reform asset forfeiture rules without impeding law enforcement's need to seize property used for criminal activity.

Second, as the demand for quality healthcare exceeds Ohio's supply of doctors and nurses, policymakers must find effective ways to improve access to healthcare for low-income Ohioans. With the cost of treatment rising, even basic medical care remains unaffordable for many lower-income communities. Ohio's Medicaid expansion will not solve this problem--especially as the new Congress and Trump Administration begin to revise federal healthcare policy.

The Buckeye Institute's Policy Brief explains how "charity care" may help alleviate some of the supply-and-demand pressure that leads to higher medical bills. Unfortunately, medical practitioners have little incentive to provide charitable, low- or no-cost treatment. To encourage more "charity care," policymakers should award continuing education credits to healthcare professionals who provide charitable treatment to Ohio's underserved populations. The state should also relax several regulatory restrictions on Ohio's licensed nurses in order to expand the pool of care providers available to the poor.

# # #

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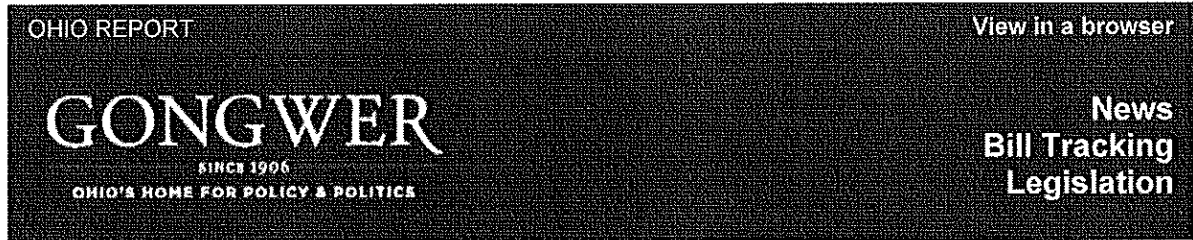
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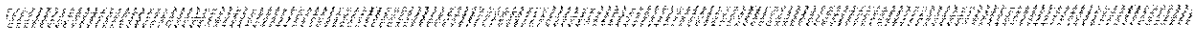
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**From:** Gongwer News Service  
**Sent:** Tuesday, November 22, 2016 5:54 PM  
**To:** Rep48  
**Subject:** Ohio Report, Tuesday, November 22, 2016  
**Attachments:** Nov22.htm; Nov22Senate.htm; 161122dayplan.htm;  
Nov23Schedule.htm



## **OHIO REPORT TUESDAY, NOVEMBER 22**



**Senate Hears Mixed Review Of Energy Freeze Bill; Early December Committee Vote Eyed**

**Senate Panel Takes Up Ignition Interlock Device Measure**

**Proponents Urge Senate Support For Ohio EPA Updates**

**Committee Chair Raises Concerns About Insurance Bill**

**Medical Board Closes Investigation Into Dayton Abortion Clinic**

**Buckeye Institute Touts Charity Care; OSMA Launches Opioid Campaign; Innovation Ohio Eyes Food Insecurity**

**Farmers Union Prices Thanksgiving Dinner; AG Warns On Holiday Shopping Scams; DSW Sales Up**

**Governor's Appointment**

**Attorney General's Opinion**

**Supplemental Agency Calendar**

**Supplemental Event Planner**

**Senate Committee Hearings**

**Energy & Natural Resources**

**Insurance**

## **ACTIVITY REPORTS**

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**Senate**

## **CALENDARS**

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**Day Planner**

**Legislative Committee Schedules**

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**Volume #85, Report #225 -- Tuesday, November 22, 2016**

**Senate Hears Mixed Review Of Energy Freeze Bill; Early December Committee Vote Eyed**

The state's top consumer utility advocate told a Senate panel Tuesday the renewable energy and energy efficiency benchmarks in a Senate bill are "reasonable."

But Ohio Consumers' Counsel Bruce Weston said in testimony before the Senate Energy & Natural Resources Committee that he still has plenty of concerns with the proposal (SB 320).

Mr. Weston's was one of a trio of witnesses on both sides of the issue to appear before the committee during the bill's third hearing.

Questioned by Chairman Sen. Troy Balderson (R-Zanesville), Mr. Weston said that a 12.5% renewable energy benchmark for 2029 and beyond was reasonable in his view. As for the 17% benchmark for energy efficiency - which was reduced from the bill's earlier 22% - Mr. Weston said that number is on the lower end of "something I could accept as reasonable."

Sen. Balderson said in an interview he has no intention of holding a vote on the issue next week considering the holiday and the short notice interested parties received about Tuesday's hearing.

"We'll have some more hearings," Sen. Balderson said. "We want to give everyone adequate time. We'd like to have at least something by the first of December that we can vote on."

Several amendments have been drafted behind the scenes, although it's unclear if and when they'll be introduced for consideration. Sponsor Sen. Bill Seitz said he is unsure whether he will introduce any of his prepared amendments next week.

"I think there are a couple things we could tweak along the way, but, yes, I do feel good about it," Sen. Balderson said of the status of the bill. "And I know one amendment might be the mercantile opt out. It's in there right now (to start) in 2019, but 2017 was talked about last week in committee."

Outlining his concerns with the bill, Mr. Weston urged the committee to: preclude utilities from charging consumers for shared savings that are not a direct result of utility programs or that are unrelated to electricity sales; add language to protect consumers from bearing any cost associated with the mercantile opt-out program, and; prohibit consideration of renewables and energy efficiency in cases other than those intended for implementing the energy standards.



Responding to a question from Sen. Seitz, Mr. Weston floated the idea of a 3% cost cap for consumers. He also argued for requiring utilities to use competitive bidding when retaining providers or vendors when implementing their energy efficiency programs.

He further advised against any attempts to add language permitting electricity rate hikes if a utility's financial integrity is at risk.

"If such a change in the law is to be considered by the legislature, it should be done in a standalone bill with a full public hearing process and not rushed in this limited post-election session," Mr. Weston said.

Brakey Energy President Matt Brakey was the only proponent to testify during this week's hearing. He said the company fully supports the mercantile customer opt-out and would even urge the provision to be enacted sooner.

The bill as written would expand opt-out eligibility to businesses consuming more than 700,000 kilowatt hours per year - a move opponents say is premature considering the existing opt-out doesn't begin until 2017. (See Gongwer Ohio Report, November 17, 2016)

Even if the opt-out timeline isn't advanced, Mr. Brakey said, lawmakers should act fast in reaching a resolution before the ongoing freeze on energy standards expires at year's end.

"Because of the cycle time of the electric distribution utilities, delaying commonsense reforms will require the utilities to launch another expensive, multi-year installment toward compliance that will be passed onto Ohio's residential, commercial, industrial, and institutional customers," he said. "This is an outcome Ohioans cannot afford."

Environmental Law and Policy Center Senior Attorney Rob Kelter said the group opposes the bill's removal of compliance mechanisms for the first three years.

Opponents argue such language waters down the state's approach to renewables while proponents say it buys the state more time pending the legal resolution of the Clean Power Plan.

"The utilities recover both their costs and lost revenues related to energy efficiency so they are held harmless. On top of that they share the savings they generate for customers through shared savings mechanisms that all the utilities have achieved," Mr. Kelter said. "Some utilities have earned bonuses as high as \$20 million per year from running the programs. Making the standards voluntary sends the wrong signal regarding the importance of the standards and the need to meet the targets."

Mr. Kelter said the group also opposes both the lowering of the energy efficiency benchmark to 17% and the potential expansion of the mercantile opt-out program.

"Somehow, listening to the testimony and comments from proponents, one would think

Ohio is about to become California," Mr. Kelter said. "We are only looking for a very reasonable and doable level of efficiency and renewables that will benefit all Ohioans through both cleaner air and lower bills."

Alan Rosenfield submitted written opponent testimony on behalf of the League of Women Voters of Ohio, saying that the bill "continues bad policy by refusing to require a reasonable percentage of energy come from renewable sources."

"We reject the idea that SB320 lifts the two-year freeze imposed on renewable energy requirements," he wrote. "We urge that the current language of O.R.C. 4928-64 be retained and oppose any changes in that section that are included in SB320."

### **Senate Panel Takes Up Ignition Interlock Device Measure**

First-time OVI offenders could have the opportunity to be granted unlimited driving privileges, with a catch, under a House bill reviewed in the Senate Tuesday.

The legislation (HB 388) sponsored by Rep. Gary Scherer (R-Circleville) would allow first-time offenders to petition the court for unlimited driving privileges with an Ignition Interlock Device during the offender's driver's license suspension.

"Our current laws contain an ineffective system of limited driving privileges. The offender first has a period of 15 days where he or she cannot drive at all. Then he or she can obtain limited driving privileges from the judge and may be granted access to any occupational, educational, vocational, or medical destinations as well as commercial licensing exams and court mandated appearances during certain times of the day," he told members of the Senate Insurance Committee Tuesday.

"Second-time offenders are required to use a certified Ignition Interlock Device (IID) if restricted driving has been permitted. Second time offenders are also required to employ yellow license plates on their vehicles. The second offense provisions all too often give rise to plea bargains to reduce the overall punishment."

The legislation, dubbed "Annie's Law," also lengthens the first-time minimum suspension from six months to 12 months. However, that suspension can be cut in half if a court grants a request to use an IID.

In addition, the measure would also require a first-time offender to obtain a restricted license indicating the use of an IID is required.

"It is important to note that this language is permissive: the offender is not required to request the use of the device, nor is the judge required to allow the use of the device. The IID petition can only be granted at the time of conviction, not at the time of the arraignment. There is no change to current law for the time from arrest to conviction," Rep. Scherer said.

Yet another provision of the bill would extend the look-back period for OVI offenses from six to 10 years.

Sen. Edna Brown (D-Toledo) questioned the rationale behind that provision.

Rep. Scherer said it was requested by municipal court judges who believe the six-year window is not long enough.

In researching the legislation, Rep. Scherer told the panel that he voluntarily installed an IID in his own vehicle and sought to allay some of the misconceptions about the device, including the belief that an impaired driver could have a child blow into it to allow a vehicle to be started.

"It's not that simple to use," he said. "It does require a velocity of air going through the device, and a sustained velocity."

Chairman Sen. Jay Hottinger (R-Newark) asked if the devices require a driver to do anything while operating a vehicle.

Rep. Scherer said that some do require a "rolling retest," which he was initially opposed to until he learned that 28 states with similar laws also mandate continued testing after the initial one to allow the vehicle to start.

"It is not a significant burden," he said. "You can always pull over to the side of the road to do it. I found that once I got used to it, I didn't need to pull over to do it."

The bill is named after Annie Rooney, who was killed by a drunken driver in 2013.

"The woman who hit Annie that fateful day had at least three misdemeanor charges of operating a vehicle while impaired filed against her. Since her death, Annie's family has worked with Mothers Against Drunk Driving and others in their cause to reduce the number of casualties to this horrible tragedy that occurs far too often," Rep. Scherer said.

The bill has been in the works for three years and currently has no known opposition, Rep. Scherer told the panel.

The measure cleared the House in an 84-5 vote in May. (See Gongwer Ohio Report, May 18, 2016)

### **Proponents Urge Senate Support For Ohio EPA Updates**

More than a dozen proponents testified or submitted written testimony to the Senate Energy & Natural Resources Committee Tuesday on the governor's second OEPA-themed mid-biennium review bill.

During the bill's (SB 333) second hearing before the committee, lawmakers asked no questions as witnesses touted what they perceive as the bill's merits.

By and large, the group said the bill would install much-needed oversight over construction and demolition debris processing plants, refocus the mission of the Lake Erie Commission, and permit the Ohio Environmental Protection Agency's director to waive, transfer or revoke a 401 water quality certification. (See Gongwer Ohio Report, May 18, 2016)

Ohio Environmental Council Deputy Director Jack Shaner thanked the OEPA for participating in stakeholder meetings to gather feedback, saying the group is "confident that constructive compromise amendments will emerge."

That's because the group, which supports the bill, still has two areas of concern, Mr. Shaner said.

One provision worth revisiting, he said, is language that makes substantive changes to the makeup, authority and duties of the Lake Erie Commission. The bill's intent is to refocus the commission on helping the state meet its obligations under the Great Lakes Water Quality Agreement.

"It remains unclear how and to what extent the commission will ensure the...implementation of federal, state and local policies, programs and issues," Mr. Shaner said, recommending instead the language be changed so the commission can ensure coordination of "the funding, implementation, and monitoring" of those areas.

The group also requested a change in language enabling the OEPA director to grant 401 waivers, which proponents say will speed up projects already approved by the U.S. Army Corps of Engineers.

OEC argues the waiver should be considered a final appealable order and should not be issued within 90 days of the agency's receipt of a complete application to allow actual agency review. Further, the group said the director should be required to include written justification for granting the waiver.

Cuyahoga County Solid Waste District Executive Director Diane Bickett testified the bill would address "serious problems" stemming from unregulated C&DD processing facilities in the county. She said such sites accumulate waste, becoming eyesores and ultimately shifting the burden of cleanup onto taxpayers.

"Most of the debris being accepted at this and other sham recycling facilities is debris resulting from the demolition of vacant homes," she said. "Demolition contractors cut costs by taking the debris to these sham recycling sites because they undercut the disposal fees that legitimate recyclers and landfills must charge in order to operate properly."

Ohio Environmental Health Association President Chad Brown said the group has spent a decade trying to address issues within the C&DD industry, but has made little progress without legislative action.

"There have been cases in all regions of the state where materials have been stockpiled without being processed properly, which has resulted in public nuisance situations," Mr. Brown said. "SB333 aims to address these nuisance conditions and provide the proper authority to OEPA and local health departments to address these issues."

Other witnesses praised different facets of the bill. Ohio Chamber of Commerce Director of Energy and Environmental Policy Zachary Frymier said the bill would improve business efficiency and surface water quality by strengthening the Certified Water Quality Professional Program.

Agreeing the bill would allow the state to address "bad actors" in the C&DD industry, he also praised the 401 waiver provision.

Ohio Rural Water Association Executive Director Kevin Strang singled out the bill's requirement that private water systems maintain an asset management plan. He said his association regularly assists systems with few resources that have overlooked or delayed maintenance and inventory planning.

"We have most recently provided extensive services to the villages of Botkins in Shelby County, Gratis in Preble County, and Spring Valley in Green County," he said. "In these three systems alone we project potential long term savings in excess of \$500,000 by reducing the need for premature repairs and replacement of system equipment."

Others testifying in support of the measure included Geoff Guss of Coschoton's McWane Ductile, professional engineer Alan Olsen, Great Lakes RCAP Director Debbie Martin, Hecla Water Association Inc. General Manager Tony Howard, and Materials Management Advisory Council Chairman Michael Dineen.

Submitting written proponent testimony were Port of Cleveland Vice President of External Affairs Jade Davis, Cuyahoga County Health Commissioner Terry Allan, Aqua Ohio Inc. and Aqua Ohio Wastewater Inc. President Ed Kolodziej, CSX Resident Vice President Rusty Orben, and a pair of Ohio residents.

### **Committee Chair Raises Concerns About Insurance Bill**

The leader of a Senate committee on Tuesday questioned the efficacy of a measure designed to prevent certain uninsured drivers from collecting non-compensatory damages as a result of a traffic accident.

Sen. Jay Hottinger (R-Newark), chairman of the Senate Insurance Committee, said a recent study found that the measure (HB 279) would decrease the rate of uninsured drivers on Ohio's roadways by just 1.6%.

"Candidly, 1.6% is probably certainly inside the margin of error," he said.

Sponsoring Rep. Michael Henne (R-Clayton) said the legislation is about fairness. He likened the circumstances it addresses to a group that buys lottery tickets and hits a jackpot, then someone who did not contribute to the purchase asking for a share of the winnings.

"If everybody participates then we are protecting everybody," he said.

Sen. Hottinger also raised concerns about a letter from the Ohio Judicial Conference sent to Rep. Jeff Rezabek (R-Clayton), a co-sponsor of the bill, that suggested the measure could violate both the Equal Protection and Due Process clauses of the Ohio Constitution.

But Rep. Henne said just one state's high court found a similar measure to be unconstitutional.

Under the bill, those who have a previous conviction of driving without insurance in the past seven years would be barred from seeking non-compensatory damages in the event of a traffic accident.

"They can still collect damages for their damaged property, medical bills, and loss of wages," Rep. Henne said.

Uninsured motorists would still be able to sue for non-economic damages in what Rep. Henne described as egregious situations, including crashes involving a four- or six-point offense, texting while driving and wrongful death. Drivers under the age of 18 will also be exempted from the law.

An estimated 15% of Ohio drivers are uninsured, above the national average of 13%, according to Rep. Henne.

The number of crashes involving uninsured drivers increased from 50,151 in 2011 to 95,000 in 2015, he said.

"Drivers who repeatedly choose not to participate in a system that is designed to protect all drivers, by failing to purchase the required minimum limits of liability protection, will no longer receive the full benefits of this system," he said. "If they are injured by another driver, HB279 affords the uninsured driver more than the amount of protection they offer their victims."

Sen. Hottinger was not alone in questioning the measure. Sen. Edna Brown (D-Toledo) said she supports the goal behind the bill, but does not believe it will accomplish "a great deal."

"I would like to see a bill where we come forth with some method by which we use some other stick," she said.

Adding that there are many Ohioans who cannot afford liability insurance and lack access to public transportation, the Democrat said, "We need something else. We need to look at the possibility that there may be extenuating circumstances."

Rep. Henne replied by saying that if someone does not have the financial means to obtain liability insurance, they don't have the financial means to drive a vehicle.

"Should we allow people to run through red lights if they are late for work?" he asked.

The legislation passed the House in May on a largely party-line vote of 62-35, with Reps. Jonathan Dever (R-Cincinnati) and Louis Terhar (R-Cincinnati) voting with the Democrats on opposition. (See Gongwer Ohio Report, May 25, 2016)

### **Medical Board Closes Investigation Into Dayton Abortion Clinic**

Anti-abortion groups on Tuesday called for further government action against a Dayton-area clinic following the State Medical Board of Ohio's closure of a case involving the facility.

Ohio Right to Life and Dayton Right to Life urged the board to either disclose the investigative record or reopen the probe into Women's Med Center in Kettering regarding a June incident in which a patient received an abortion despite being unable to consent due to a drug overdose.

Dayton Right to Life filed complaints with the board earlier this year after an incident report from the Ohio Department of Health. The patient had taken a number of drugs the day of the scheduled abortion and was unable to walk on her own or keep her eyes open, according to the report. (See Gongwer Ohio Report, August 4, 2016)

Paul Coudron, executive director of Dayton Right to Life, said he received a notice from the Medical Board that the cases against the doctors at the facility had been closed with no action taken.

"The women of Dayton deserve to know why no action, not even a reprimand, has been taken by this institution," he said at a Columbus news conference.

Mr. Coudron and Devin Scribner, executive director of Ohio Right to Life, said they want the board either to release the record of their investigation or to reopen the case.

"Today we're here to call for action from the State Medical Board," Mr. Scribner said. "Case closed is not good enough for us."

Katherine Franklin, spokeswoman for Ohio Right to Life, said the issue is one of informed consent and should be of concern for Ohioans regardless of their attitudes toward abortion.

"This is much more a question of ethics in medicine more than it is politics," she said. "Pro-choice and pro-life advocates should be demanding action on this case, because it gets to the heart of a woman's right to say no and control her own bodily autonomy."

Michael Gonidakis, the president of Ohio Right to Life, serves as president of the State Medical Board but said he would recuse himself in the case. The investigation was closed by board staff and never required a hearing before the board.

Tessie Pollock, a spokeswoman for the board, said the details of complaints and investigations are confidential.

"When we receive complaints about informed consent, we investigate fully, as we do with all complaints against licensees," she said in an email. "Informed consent is an essential part of a physician's standard of care; failure to obtain informed consent is a failure to meet the minimal standard of care required of Ohio licensed physicians."

Investigative staff at the board have access to medical records, interviews with providers, patients, complainants and experts, and can subpoena documents, she said.

Kellie Copeland, executive director of NARAL Pro-Choice Ohio, said the case has been reviewed and closed.

"When this case opened, the Ohio Department of Health investigated and asked the provider to rewrite their policy, which they did," she said in a statement. "Both the health department and the State Medical Board have looked into this case, and neither have decided additional action is necessary. Case closed."

"Women in Ohio need access to safe and legal abortion care from providers like Women's Med Center," she added. "They don't need political interference from Ohio Right to Life."

### **Buckeye Institute Touts Charity Care; OSMA Launches Opioid Campaign; Innovation Ohio Eyes Food Insecurity**

The state could encourage more affordable health care by incentivizing doctors to perform charity care, according to a policy brief by the Buckeye Institute.

Bureaucratic hurdles in Medicaid create a situation in which doctors often refuse new patients, and limitations on voluntary charity care would help doctors and nurses reach more people, wrote Greg Lawson, Statehouse liaison for the Buckeye Institute.

The policy brief encouraged lawmakers to allow health care professionals to receive continuing education credits in exchange for providing charity care to underserved Ohioans. Other states, such as Florida, allow medical professionals to earn credit for up to a certain number of hours or a certain percentage of credit per renewal period. Bills have been introduced (HB 488 and SB 292) to deal with these issues.



"Healthcare providers must maintain a requisite number of CE credits to practice in Ohio, and allowing some of those credits to be earned through charity care will increase the supply of quality treatment available to the poor," Mr. Lawson wrote.

Other possible changes that would improve access to charity care include broadening immunity provisions that protect charity care providers from malpractice lawsuits, the brief said, and relaxing regulatory requirements on licensed nurses. A bill (HB 216) to increase the autonomy of advanced practice registered nurses has cleared the House and is currently before a Senate committee.

"These are examples of the kind of reforms that could be pursued as policymakers devise ways to extend access to more affordable healthcare to our neediest patients and communities," Mr. Lawson wrote.

**OSMA Opioid Campaign:** The Ohio State Medical Association has launched a campaign aimed at fighting the problem of misuse and abuse of opioid painkillers.

The campaign, called BeSmart, includes posters and prescription pads for doctors and prescribers to use that raise awareness of information about the potentially addictive and dangerous drugs.

The materials include links and numbers for drug-related resources and advice for people who are prescribed opioids, people who are prescribed non-opioid treatments, and for talking to children about drug abuse.

**Food Insecurity Report:** An investment of \$16 million in the Ohio State Extension nutrition education programs could lift 24,000 Ohioans out of food insecurity, according to a report from the Innovation Ohio Education Fund.

The report looked at a number of potential policy solutions for dealing with the state's high rate of food insecurity, including improving the nutrition education programs, expanding the number of counties with SNAP eligibility waivers, reforming the state earned income tax credit and investing in job creation programs.

It found the education funding to be highly effective, while grading it a medium for efficiency and political feasibility.

"Based on the above analysis, I recommend that the state of Ohio expand its nutrition education program and expand the number of counties with SNAP eligibility waivers," author Rob Moore wrote. "EITC reforms and job programs, while potentially valuable for other reasons, are unlikely to significantly decrease food insecurity in the state without large, expensive investments."

"A state-funded SNAP-Ed program funded at \$16 million (a modest 0.6% increase in higher education spending for Ohio and one tenth the size of an EITC expansion) would lead to a projected reduction in food insecurity that would lift 24,000 Ohioans out of food insecurity," he added.

## **Farmers Union Prices Thanksgiving Dinner; AG Warns On Holiday Shopping Scams; DSW Sales Up**

Farmers will see less than 20% of consumer dollars spent on popular holiday menu items this year, according to an annual report.

The Thanksgiving edition of the National Farmers Union Farmer's Share publication found that farmers receive 19.4 cents of every food dollar spent on 15 common holiday foods. Most of the cost of traditional fare comes from marketing, processing, wholesaling, distribution and retailing.

Throughout the year, research has found farmers take in a little more than 17 cents for every food dollar consumers spend, NFU said.

"It's important to understand the difference between the price consumers pay for food at the grocery store or restaurant and the commodity prices farmers are paid for their products, NFU President Roger Johnson said in a statement.

"Just recently, food costs started to drop, but farm and ranch families have been plagued by low commodity prices for nearly three years," he said. "Comparatively, the costs associated with the rest of the supply chain have a more pronounced effect on consumers' food prices."

Turkey growers receive about 89 cents per pound retailing at \$1.59, while wheat farmers averaged four cents on a dozen dinner rolls that retail for \$3.29 and dairy producers received \$1.44 for the average \$4.49 gallon of fat free milk, the report shows.

**Holiday Shopping:** The Better Business Bureau and Attorney General Mike DeWine are working to inform consumers about how to keep themselves and their wallets safe as the holiday shopping season officially kicks off this week.

The AG's office released a list of tips for the estimated 137.4 million shoppers expected to take to stores over the Thanksgiving holiday weekend.

It includes recommendations to make plans before getting to stores, diligently reading fine print in ads and on "free" offers, and monitor bank accounts for any fraudulent charges.

"We encourage consumers to take some simple steps to protect themselves," Attorney General DeWine said. "Whether they're shopping online or in stores, we encourage people to take their time, understand the details, and ask for help if they need it. Awareness can go a long way in preventing problems."

BBB, meanwhile, has launched a new #AdTruth campaign to highlight common schemes companies use to lure in business and inform shoppers about how to truly find the best deals.

As more purchasing moves to the internet, BBB is also providing information about how to determine if a website or advertising emails are credible.

**DSW:** Third-quarter sales increased 4.7% to \$697 million compared to the same period last year, when sales decreased 2%, the company reported.

The Columbus-based footwear and accessories retailer also reported net income of \$39 million, or \$0.47 per diluted share. The total includes pre-tax charges from the acquisition of Ebuys, which is another footwear retailer.

"This quarter reflects the first step in our return to year-over-year earnings growth," CEO Roger Rawlins said "After four consecutive declines, we reported a 16% increase in Adjusted Earnings Per Share this quarter."

"Tighter inventory management drove improvements in gross margin which, combined with effective expense management, resulted in an increase in net income," he continued. "We've reduced clearance markdowns and we are positioned to generate more profitable sales in the holiday season."

#### **Governor's Appointment**

**Northeast Ohio Medical University Board of Trustees:** E. Douglas Beach of Northfield (Summit Co.) for a term beginning Nov. 22 and ending Sept. 21, 2024.

#### **Attorney General's Opinion**

No. 2016-037. Requested by Athens County Prosecuting Attorney Keller J. Blackburn.  
SYLLABUS:

1. A secret service officer appointed pursuant to R.C. 309.07 may serve as a member of a board of township trustees, provided that in his capacity as a township trustee he refrains from participating in any discussions, deliberations, negotiations, or votes under R.C. 309.09(B) to retain legal counsel other than the prosecuting attorney to advise or represent the township, and in his capacity as a secret service officer he shall not be permitted or required to conduct any criminal investigatory activities or functions in connection with criminal charges that may be brought by the prosecuting attorney or other prosecuting authority against officers or employees of the township.

2. A legal secretary appointed pursuant to R.C. 309.06 may serve as a member of a board of township trustees, provided that in her capacity as a township trustee she refrains from participating in any discussions, deliberations, negotiations, or votes under R.C. 309.09(B) to retain legal counsel other than the prosecuting attorney to advise or represent the township.

#### **Supplemental Agency Calendar** **Tuesday, November 29**

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Power Siting Board, Rm. 11B, 180 E. Broad St., Columbus, 3:30 p.m.

**Wednesday, November 30**

Aerospace & Aviation Technology Committee, Rm. 122, Statehouse, Columbus, 9:30 a.m.

Public Utilities Commission of Ohio, 180 E. Broad St., 11th Fl., Columbus, 1:30 p.m.

**Supplemental Event Planner**

**Monday, November 28**

Auditor of State Dave Yost media availability on open enrollment, Auditor of State Ceremonial Office, Statehouse, Columbus, 2 p.m.

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## Senate Activity for Tuesday, November 22, 2016

### INTRODUCED

**SB 369**  **ROAD NAMING** (Patton, T., Manning, G.) To designate a portion of Interstate Route 90 in Cuyahoga County as the "Patrol Trooper Kenneth Velez Memorial Highway." Am. 5534.46

**SB 370**  **LICENSE PLATE** (Patton, T.) To create the "University of Notre Dame" license plate. Am. 4501.21 and to enact section 4503.514

**SB 371**  **COUNTY PROSECUTORS** (Thomas, C.) To prohibit prosecuting attorneys of counties with a population of 400,001 or more from engaging in the private practice of law. Am. 309.02 and 325.11

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## **Daily Activity Planner for Wednesday, November 23**

### **Legislative Committees**

No legislative committees scheduled.

### **Agency Calendar**

No agency meetings scheduled.

### **Event Planner**

No events scheduled.

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## Legislative Committee Schedules beginning 11/23/2016

### Monday, November 28

House Rules & Reference (Committee Record) (Chr. Amstutz, R., 466-1474), Rm. 119, 10:30 a.m.  
Senate Education (Committee Record) (Chr. Lehner, P., 466-4538), Finance Hearing Rm., 2 p.m.

- SB 136** **SCHOOL SECLUSION** (Tavares, C.) To prohibit the use of seclusion on students in public schools. (1st Hearing-Sponsor)
- SB 346** **SCHOOL YEAR** (Manning, G.) To generally require public and chartered nonpublic schools to open for instruction after Labor Day. (2nd Hearing-Proponent)
- HB 89** **MEDICAID SCHOOL PROGRAM** (DeVitis, T.) Regarding the Medicaid School Program. (2nd Hearing-All testimony)
- HB 383** **FINANCIAL LITERACY** (Hagan, C., McColley, R.) To require one-half unit of economic and financial literacy in the high school social studies curriculum, to require the Chancellor of Higher Education to prepare an informed student document for each state institution of higher education, to require the State Board of Education to include information on the informed student document in the standards and model curricula it creates for financial literacy and entrepreneurship, and to entitle the act the "Informed Student Document Act." (2nd Hearing-All testimony)
- HB 85** **ABUSE PREVENTION** (Ramos, D., Hagan, C.) With respect to age-appropriate student instruction in child sexual abuse and sexual violence prevention and in-service staff training in child sexual abuse prevention. (2nd Hearing-Proponent)

### Tuesday, November 29

House State Government (Committee Record) (Chr. Maag, R., 644-6023), Rm. 113, 9 a.m.

- SB 227** **ATTORNEY GENERAL** (Bacon, K.) To make various changes to the laws governing the duties and functions of the Attorney General. (1st Hearing-Sponsor & proponent)  
House Agriculture & Rural Development (Committee Record) (Chr. Hill, B., 644-6014), Rm. 116, 9 a.m.
- HR 214** **PHOSPHORUS AGREEMENT** (Sheehy, M., Fedor, T.) To encourage support for the agreement between Ontario, Michigan and Ohio regarding the reduction of phosphorus in the western basin of Lake Erie. (1st Hearing-Sponsor)
- HB 566** **NURSERY STOCK** (Ramos, D.) To prohibit the labeling and advertising of nursery stock as pollinator beneficial under specified conditions (1st Hearing-Sponsor)  
House Education (Committee Record) (Chr. Brenner, A., 466-6711), Rm. 017, 9 a.m.
- HB 498** **STUDENT EXPULSIONS** (Kunze, S.) With respect to the expulsion of a student from a school district, community school, or STEM school for communicating a threat of violence to occur on school grounds. (2nd Hearing-Proponent)

**HB 372** **EDUCATIONAL SERVICES (Phillips, D.)** To require city, exempted village, and local school districts to employ, for each 1,000 students, at least five full-time equivalent educational service personnel in specified areas. (1st Hearing-Sponsor)  
House Insurance (Committee Record) (Chr. Brinkman, T., 644-6886), Rm. 121, 9 a.m.

**SB 27** **FIREFIGHTER CANCER (Patton, T.)** To provide that a firefighter who is disabled as a result of specified types of cancer is presumed for purposes of the laws governing workers' compensation and the Ohio Police and Fire Pension Fund to have incurred the cancer while performing official duties as a firefighter. (3rd Hearing-All testimony-Possible amendments, substitute & vote)

**HB 394** **UNEMPLOYMENT COMPENSATION (Sears, B.)** To temporarily change the taxable wage base under Ohio's Unemployment Compensation Law, to remove dependency classes for unemployment compensation benefit eligibility, to temporarily freeze automatic increases for weekly unemployment compensation benefit amounts, to reduce the number of weeks for which an individual may receive unemployment compensation benefits, to abolish the Unemployment Compensation Advisory Council, and to make other changes to Ohio's Unemployment Compensation Law. (6th Hearing-All testimony-Possible substitute)  
House Financial Institutions, Housing & Urban Development (Committee Record) (Chr. Dever, J., 466-8120), Rm. 122, 9 a.m.

**HB 593** **CROWDFUNDING (Arndt, S.)** To permit intrastate equity crowdfunding under certain circumstances. (2nd Hearing-Proponent)

**HB 598** **LOAN ACT (Terhar, L.)** To create the Ohio Consumer Installment Loan Act. (2nd Hearing-Proponent-Possible substitute)

**HB 616** **BANKING LAW (Amstutz, R.)** For the purpose of enacting a new banking law for the State of Ohio. (1st Hearing-Proponent-Possible substitute)

Senate Agriculture (Committee Record) (Chr. Hite, C., 466-8150), South Hearing Rm., 9 a.m.

- Confirmation hearing on governor's appointments of S. Craig Beam, Ohio Thoroughbred Race Fund Advisor Council; Kelly Cole, Southern Ohio Agricultural and Community Development Foundation; Cy Prettyman, Ohio Livestock Care Standards Board and Michael Frazier and Gregory Levens, Dangerous & Restricted Animals Advisory Board

**SB 151** **DOGS LAW (Beagle, B.)** To revise provisions of the Dogs Law governing nuisance, dangerous, and vicious dogs, to revise enforcement of that Law, and to establish a notification process regarding complaints of certain violations of that Law. (4th Hearing-Opponent)

**SB 224** **AGRICULTURE LAWS (Brown, E.)** To revise the application and enforcement of the law governing operation and management plans, and to require certain animal feeding facilities to annually report the amount of manure that is applied by or for the facilities. (1st Hearing-Sponsor)

**SB 271** **POLICE ANIMALS (Gentile, L.)** To authorize a law enforcement officer to purchase a police dog or horse for fair market value when the officer retires in good standing from a law enforcement agency and certain conditions are met, and to declare an emergency. (1st Hearing-Sponsor)

House Local Government (Committee Record) (Chr. Anielski, M., 644-6041), Rm. 018, 9:30 a.m.



- HB 561** **PARK COMMISSIONERS** (Boccieri, J., Clyde, K.) To require boards of county commissioners to appoint additional park board commissioners and allow for public comment during appointment process. (1st Hearing-Sponsor)
- HB 562** **MAIL DELIVERY** (Hambley, S., Ryan, S.) To authorize local governments and officers to deliver certain notices by ordinary mail and electronically instead of by certified mail. (1st Hearing-Sponsor)
- HB 576** **PUBLIC RECORDS** (Ryan, S.) To exempt from the Public Records Act financial account numbers and identifying information in public records and to provide that taxpayer electronic mail address lists used by county treasurers to deliver tax bills are not public records. (1st Hearing-Sponsor)

Senate State & Local Government (Committee Record) (Chr. Uecker, J., 466-8082), North Hearing Rm., 9:45 a.m.

- Confirmation hearing on governor's appointment of Thomas Pascarella, Ohio Retirement Study Council

- SB 347** **PRIMARY ELECTIONS** (LaRose, F.) To expand the circumstances under which a board of elections or the secretary of state is not required to hold a primary election. (2nd Hearing-All testimony-Possible amendments & vote)
- SB 322** **POLICE TRAINING** (Hite, C.) To require the Ohio peace officer training commission to develop and conduct a chief of police training course for newly appointed chiefs of police appointed on or after January 1, 2017, and to require newly appointed chiefs of police of villages, cities, and townships to attend the training course within six months of appointment as a chief of police. (3rd Hearing-All testimony-Possible amendments & vote)
- SB 306** **DAY DESIGNATION** (Yuko, K.) To designate July 8 as "Harrison Dillard Day." (2nd Hearing-All testimony-Possible amendments & vote)
- HB 440** **AWARENESS DAY** (Anielski, M.) To designate the Saturday before Thanksgiving as "Ohio Survivors of Suicide Loss Day." (2nd Hearing-All testimony-Possible amendments & vote)
- HB 276** **CHIROPRACTORS** (Schuring, K.) To authorize chiropractors to engage in certain activities involving nutrition-related items and therapies, nonprescription drugs, and medical goods and devices. (2nd Hearing-proponent)
- HB 423** **MILITARY RECORDS** (Perales, R.) To specify that an order for active military service or other documentation regarding the call to order of an individual in the Armed Forces of the United States or the Ohio organized militia is not a public record. (1st Hearing-Sponsor)
- HB 167** **LEGISLATIVE SERVICE COMMISSION** (Sweeney, M.) Regarding the term of a General Assembly member as a member of the Legislative Service Commission. (2nd Hearing-All testimony-Possible amendments & vote)
- House Finance (Committee Record) (Chr. Smith, R., 466-1366), Rm. 313, 10 a.m.
- SB 331** **PET STORES** (Peterson, B.) To regulate the sale of dogs from pet stores and dog retailers and to require the Director of Agriculture to license pet stores. (1st Hearing-Sponsor)

**SB 235**      **PROPERTY TAXES (Beagle, B., Coley, B.)** To exempt from property tax the increased value of property on which industrial or commercial development is planned until the completion of new commercial or industrial facilities at the property. (3rd Hearing-All testimony-Possible amendments & substitute)  
House Session (Chr. Rosenberger, C., 466-3357), House Chamber, 11 a.m.  
Senate Rules & Reference (Committee Record) (Chr. Faber, K., 466-7584), Majority Conf. Rm., 11 a.m.  
Senate Financial Institutions (Committee Record) (Chr. Hughes, J., 466-5981), Finance Hearing Rm., 11:15 a.m.

**SB 335**      **AUTOMATED TELLER MACHINES (Patton, T.)** To regulate non-bank automated teller machines. (1st Hearing-Sponsor)

**SB 355**      **LOAN ACT (Peterson, B.)** To create the Ohio Consumer Installment Loan Act. (1st Hearing-Sponsor)

House Transportation & Infrastructure (Committee Record) (Chr. Boose, T., 466-9628), Rm. 018, 1 p.m. or after session

- **Agenda to be announced**

House Ways & Means (Committee Record) (Chr. Schaffer, T., 466-8100), Rm. 121, 1:30 p.m. or after session

**HB 482**      **PROPERTY TAXES (Dever, J.)** To change the calculation of the exempt value of improved property subject to a community reinvestment area exemption, to clarify the calculation of the exempt value of property subject to a brownfield remediation exemption, and to authorize the filing of a complaint with the county auditor challenging the assessed value of fully or partially exempt property. (2nd Hearing-PropONENT)

**HB 592**      **INVESTMENT COMPANIES (Merrin, D.)** To subject small business investment companies to the commercial activity tax rather than the financial institutions tax. (1st Hearing-Sponsor)

**HB 612**      **DISASTER BUSINESS EXEMPTION (Ryan, S.)** To exempt out-of-state disaster businesses and qualifying out-of-state employees from certain taxes and laws with respect to disaster work on critical infrastructure performed in this state during a declared disaster (1st Hearing-Sponsor)

House Government Accountability & Oversight (Committee Record) (Chr. Blessing, L., 466-9091), Rm. 114, 1:30 p.m. or after session

**SB 206**      **CAMPAIGN FINANCE REPORTS (LaRose, F.)** To require certain campaign committees and other entities to file campaign finance statements electronically and to require the Secretary of State to make the information in those statements available online. (1st Hearing-Sponsor)

**HB 613**      **SUNSET REVIEW LAW (Amstutz, R.)** To revise and renew the Sunset Review Law, to require that a Sunset Review Committee be convened to function during each oddnumbered General Assembly, and to declare an emergency. (1st Hearing-Sponsor-Possible substitute)

**HB 619**      **STATE PROPERTY CONVEYANCES (Rezabek, J.)** To authorize the conveyance of, and the granting of perpetual easements to, state-owned real property. (1st Hearing-Sponsor-Pending referral)

**SB 273** **CORPORATE GOVERNANCE** (Bacon, K.) To enact the Corporate Governance Annual Disclosure Act. (2nd Hearing-Proponent)

**SB 329** **SUNSET REVIEW** (Jordan, K., Faber, K.) To require standing committees of the General Assembly to establish a schedule for the periodic review and sunset of state departments that are currently in the Governor's cabinet. (2nd Hearing-Proponent)

**HB 591** **SPECIAL ELECTIONS** (Pelanda, D.) To eliminate the requirement of holding a special election to fill a vacancy in a party nomination for the office of representative to Congress under certain circumstances. (2nd Hearing-Proponent)

**HB 539** **NEW AMERICANS** (Boyce, K.) To create the office for New Americans. (1st Hearing-Sponsor)

**HB 536** **STATEHOUSE VIDEO** (Fedor, T.) To require the Ohio Government Telecommunications Service to broadcast live, with video and audio content, all General Assembly committee meetings and to name this act the Wire the Statehouse Act. (1st Hearing-Sponsor)

**HR 192** **VOTING RIGHTS ACT** (Clyde, K., Reece, A.) Commemorating the fiftieth anniversary of the Voting Rights Act of 1965. (1st Hearing-Sponsor)

**HR 206** **CONFEDERATE FLAG** (Sykes, E., Reece, A.) To urge the powers of the governments that continue to make issuances containing the confederate flag to discontinue this practice, to urge the powers of the governments that fly the confederate flag or any flag containing imagery of the confederate flag on public property to remove those flags in question, to urge the powers of governments that have official state flags that contain imagery derived from the confederate flag to commence in the process of redesigning the official state flag immediately, to urge South Carolina's General Assembly to direct removal of the confederate flag from state property and to urge Ohio retailers to remove from inventory any confederate flag merchandise. (1st Hearing-Sponsor)

**HB 179** **VOTER REGISTRATION** (Stinziano, M., Sykes, E.) To require that eligible persons in the database of the Bureau of Motor Vehicles be automatically registered to vote or have their registrations updated automatically, as applicable, unless those persons decline to be registered or to update their registrations. (1st Hearing-Sponsor)

Senate Session (Chr. Faber, K., 466-4900), Senate Chamber, 1:30 p.m.  
House Commerce & Labor (Committee Record) (Chr. Young, R., 644-6074), Rm. 122, 2 p.m. or after session

**HB 601** **MICROBUSINESS** (Pelanda, D.) To create a statutory definition of "microbusiness." (2nd Hearing-All testimony-Possible amendments & vote)

**HB 574** **USED TIRES** (Sprague, R., DeVitis, T.) To prohibit the installation of unsafe used tires on certain motor vehicles. (2nd Hearing-Proponent)

Senate Finance (Committee Record) (Chr. Oelslager, S., 466-0626), Finance Hearing Rm., 2:30 p.m. or after session

- Confirmation hearing on governor's appointments available at <http://www.gongwer-oh.com/public/130/finconfirm.pdf>

**HB 435** **STATE FINANCING** (McClain, J.) To authorize the Treasurer of State to issue revenue obligations of the state for the purpose of making loans to qualifying public

entities for their acquisition of permanent improvements through the Treasurer of State's purchase of public obligations of those qualifying entities. (1st Hearing-Sponsor)

**SB 230** **ACADEMIC DISTRESS COMMISSIONS** (Schiavoni, J.) With regard to the operation of academic distress commissions and to modify the earmarked funding for the establishment of academic distress commissions. (1st Hearing-Sponsor)

**HB 384** **HIGHER EDUCATION AUDITS** (Schaffer, T., Duffey, M.) To specify that state institutions of higher education may be subject to performance audits conducted by the Auditor of State. (2nd Hearing-All testimony-Possible amendments)

**SB 317** **BANKING LAWS** (Hughes, J., Coley, B.) For the purpose of enacting a new banking law for the State of Ohio. (4th Hearing-All testimony-Possible amendments & vote)  
Senate Health & Human Services (Committee Record) (Chr. Jones, S., 466-9737), North Hearing Rm., 3 p.m. or after session

- Confirmation hearing on governor's appointments of Stephanie Loucka, Director of the Department of Aging; Billy Anderson, Jr., Ashok Das, Michael Ginder and Kumar Subramanian, D.D.S., State Dental Board; Raymond Mancini, John Patton, III, James Armile and John Stainbrook, Ohio Athletic Commission; Michael Aquillo, Ohio Respiratory Care Board; Michael Pratt, Hearing Aid Dealers and Fitters Licensing Board; Ronan Factora, State Medical Board; Paul Schoonover, Chemical Dependency Professionals Board; Christopher Taylor, Ohio Board of Dietetics; Fred Weaver, Kilee Yarosh, Timothy Bechtold, State Board of Pharmacy; Jason Dapore, Hollie Kozak, Chad Miller and Jennifer Wissinger, Occupational Therapy, Physical Therapy, and Athletic Trainers Board.

**HB 216** **NURSES** (Pelanda, D.) To revise the law governing advanced practice registered nurses. (2nd Hearing-Proponent-Possible amendments)

**HB 285** **PRESCRIPTION REFILLS** (Sprague, R.) To authorize pharmacists to dispense multiple refills of a prescription simultaneously under certain circumstances. (2nd Hearing-Proponent)

**HB 470** **PALLIATIVE CARE FACILITIES** (Schuring, K.) Regarding palliative care facilities. (2nd Hearing-Proponent)

**SB 42** **OUTPATIENT TREATMENT** (Beagle, B.) Regarding minors and outpatient mental health treatment. (5th Hearing-All testimony)

**SB 314** **HOSPITAL CARE** (Lehner, P.) To provide for the designation of a lay person to provide after-care to a hospital inpatient and participate in discharge planning. (4th Hearing-All testimony)

**HB 290** **TERMINAL PATIENTS** (Sprague, R., Anielski, M.) To permit a physician to treat a terminally ill patient with a drug that is not approved by the United States Food and Drug Administration and permit a drug manufacturer to provide such a drug to the patient or physician. (3rd Hearing-Opponent & interested party)

**HB 505** **BIOLOGICAL PRODUCTS** (Huffman, S., Pelanda, D.) Regarding the regulation of biological products and the substitution of interchangeable biological products when dispensed by pharmacists. (3rd Hearing-Opponent & interested party-Possible amendments)

House Armed Services, Veterans Affairs & Public Safety (Committee Record) (Chr. Johnson, T., 466-2124), Rm. 017, 3:30 p.m.

- HB 464** **NATIONAL GUARD SCHOLARSHIPS** (Terhar, L., Brinkman, T.) To specify that a National Guard scholarship recipient who fails to complete the recipient's term of enlistment in the National Guard due to enlistment, warrant, commission, or appointment in the United States armed forces is not liable for repayment of the scholarship. (3rd Hearing-Possible substitute & vote)
- HB 105** **MILITARY TRANSFERS** (Craig, H., Perales, R.) To permit persons who quit work to accompany the person's spouse on a military transfer to be eligible for unemployment compensation benefits. (2nd Hearing-Proponent)
- House Judiciary (Committee Record) (Chr. Butler, J., 644-6008), Rm. 116, 3:30 p.m.
- SB 284** **EXPUNGEMENT** (Obhof, L.) To provide that a person who is found not guilty of an offense by a jury or a court or who is the defendant named in a dismissed complaint, indictment, or information may apply to the court for an order to expunge the person's official records in the case if the complaint, indictment, or information or finding of not guilty was the result of the applicant having been a victim of human trafficking and to authorize intervention in lieu of conviction for persons charged with committing an offense while a victim of compelling prostitution. (1st Hearing-Sponsor)
- SB 257** **REAL PROPERTY** (Seitz, B., Skindell, M.) To create a presumption of validity of recorded real property instruments, reduce the time period for curing certain defects related to those instruments, and provide constructive notice for those instruments. (1st Hearing-Sponsor & proponent)
- HB 559** **MEDICAL CLAIMS** (Cupp, R.) To grant qualified civil immunity to certain medical providers who provide emergency medical services as a result of a disaster or mass hazard; to provide that certain communications made regarding an unanticipated outcome of medical care, the development or implementation of standards under federal laws, and an insurer's reimbursement policies on health care are inadmissible as evidence in a medical claim; to provide that medical bills itemizing charges are inadmissible as evidence and a payment for medical services accepted by a defendant from an insurer is admissible as evidence of the reasonableness of the charges; to specify the manner of sending a notice of intent to file a medical claim and provide a procedure for the discovery of other potential claims within a specified period after the filing of a medical claim; to provide that any loss of a chance of recovery or survival by itself is not an injury, death, or loss for which damages may be recovered; to provide civil immunity to certain medical providers regarding the discharge of a patient with a mental condition that threatens the safety of the patient or others; to require that governmental agencies that receive peer review committee records maintain their confidentiality; and to clarify the definition of "medical claim." (1st Hearing-Sponsor & proponent)
- HB 602** **DIGITAL ASSETS** (Cupp, R., Rezabek, J.) To adopt the Revised Uniform Fiduciary Access to Digital Assets Act. (1st Hearing-Sponsor & proponent)
- SB 299** **PERRY COUNTY COURTS** (Hottinger, J.) To create the Perry County Municipal Court in New Lexington on January 1, 2017, to establish one full-time judgeship in that court, to provide for the nomination of the judge by petition only, to abolish the Perry County County Court on that date, to designate the Perry County Clerk of Courts as

the clerk of the Perry County Municipal Court, and to provide for the election for the Perry County Municipal Court of one full-time judge in 2017. (2nd Hearing-All testimony)

- HB 581** **LLC REGULATIONS** (Dever, J., Reineke, B.) To permit and regulate managers, members, and interests of series limited liability companies. (2nd Hearing-Proponent)
- SB 139** **POST-CONVICTION RELIEF** (Seitz, B., Williams, S.) To require the clerk of a common pleas court to retain a copy of the original trial file when a death penalty is imposed, to specify that there is no page limit on petitions for postconviction relief in death penalty cases or in appeals of denials of such relief, to modify the time for filing an amended postconviction relief petition in death penalty cases, to provide for depositions and subpoenas during discovery in postconviction relief proceedings in death penalty cases, and to require a judge hearing a postconviction relief proceeding in a death penalty case to state specifically in the findings of fact and conclusions of law why each claim was either denied or granted. (3rd Hearing-All testimony-Possible amendments & vote)
- HB 106** **PUBLIC INDECENCY** (Schaffer, T.) To require an offender who knowingly commits the offense of public indecency under certain circumstances involving conduct likely to be viewed by minors to register as a Tier I sex offender/child-victim offender. (3rd Hearing-All testimony-Possible amendments)
- HB 283** **DNA TESTING** (Fedor, T.) To require DNA testing for misdemeanor convictions of voyeurism, public indecency, procuring, soliciting, loitering to engage in soliciting, and prostitution. (3rd Hearing-All testimony-Possible amendments)
- House Community & Family Advancement (Committee Record) (Chr. Ginter, T., 466-8022), Rm. 114, 4 p.m.
- SB 30** **FAMILY STABILITY** (Tavares, C.) To create the Ohio Family Stability Commission. (3rd Hearing-All testimony)
- HB 286** **MARRIAGE** (Vitale, N.) To provide that an ordained or licensed minister or religious society is not required to solemnize a marriage and a religious society is not required to allow any building or property of the religious society to be used to host a marriage ceremony if the marriage does not conform to the ordained or licensed minister's or religious society's sincerely held religious beliefs, to provide that an ordained or licensed minister or religious society is not subject to civil or criminal liability for such a denial, and to provide that the state and political subdivisions may not penalize or withhold benefits to an ordained or licensed minister or religious society for such a denial. (6th Hearing-All testimony)
- HB 458** **FOSTER CARE** (Boyce, K., Rezabek, J.) To provide foster care maintenance payments for children in the care of a kinship caregiver without requiring the caregiver to be certified to provide foster care and to require, rather than permit, the creation of the statewide program of kinship care navigators. (1st Hearing-Sponsor)
- SB 308** **CHILD SUPPORT** (Coley, B.) To amend the child support laws. (1st Hearing-Sponsor & proponent)

**HB 618** **RECORD EXPUNGEMENT** (Schuring, K., Reece, A.) To provide for the expungement of official records related to the apprehension, arrest, criminal charging, or trial of a person based on mistaken identity. (1st Hearing-Sponsor)  
Senate Education (Committee Record) (Chr. Lehner, P., 466-4538), Finance Hearing Rm., 4 p.m.

- Paolo DeMaria, Superintendent of Public Instruction, will testify on the revised English language arts and math learning standards pursuant to 3301.079 (J).

**HB 410** **TRUANCY** (Rezabek, J., Hayes, B.) With regard to habitual and chronic truancy and compulsory school attendance. (5th Hearing-All testimony-Possible amendments & vote)

**HB 89** **MEDICAID SCHOOL PROGRAM** (DeVitis, T.) Regarding the Medicaid School Program. (3rd Hearing-All testimony-Possible vote)

**SB 126** **OPEN ENROLLMENT** (Sawyer, T.) To terminate interdistrict open enrollment on that date with the possibility of renewal following the General Assembly's examination of the study's findings. (1st Hearing-Sponsor)

### **Wednesday, November 30**

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House Public Utilities (Committee Record) (Chr. Dovilla, M., 466-4895), Rm. 121, 9 a.m.

**HB 525** **911 CALLS** (Johnson, G.) To require multi-line telephone systems to have a default configuration that permits users to directly initiate a call to 9-1-1 without dialing any additional digit or code. (1st Hearing-Sponsor)

**HB 589** **UTILITY RESELLING** (Duffey, M.) To permit the Public Utilities Commission to adopt rules governing residential utility reselling. (1st Hearing-Sponsor)

**HB 72** **PORT AUTHORITIES** (Conditt, M.) To authorize port authorities to create energy special improvement districts for the purpose of developing and implementing plans for special energy improvement projects and to alter the law governing such districts that are governed by a nonprofit corporation. (5th Hearing-Possible substitute)

**HB 554** **RENEWABLE ENERGY** (Amstutz, R.) To revise the requirements for renewable energy, energy efficiency savings, and peak demand reduction and to revise provisions governing which customers can opt out of related programs. (3rd Hearing-All testimony-Possible amendments & vote)

Senate Health & Human Services (Committee Record) (Chr. Jones, S., 466-9737), North Hearing Rm., 9 a.m.

- Agenda to be announced  
Senate Financial Institutions (Committee Record) (Chr. Hughes, J., 466-5981), Finance Hearing Rm., 10 a.m.

**SB 355** **LOAN ACT** (Peterson, B.) To create the Ohio Consumer Installment Loan Act. (2nd Hearing-All testimony-Possible amendments)

Senate Transportation, Commerce & Labor (Committee Record) (Chr. LaRose, F., 466-4823), North Hearing Rm., 10:15 a.m.

- Ferzan Ahmed, State Board of Registration for Professional Engineers and Surveyors; Andrew Bainbridge, JD, Ski Tramway Board; Kristine Burdick and Rowland Giller, III, Ohio Real Estate Commission; James Gasior and Michael Peterson, Ohio Turnpike and Infrastructure Commission; Stephanie Green, Janet Orosz and Richard Zaleski, Ohio Fair Plan Underwriting Association Board of Governors; W. Craig Zimpher, State Employment Relations Board; Bill Dingus, Chris Kershner and Christopher Powell, Transportation Review

Advisory Council; J. Richard Lumpe, State Employment Relations Board; Ross McGregor, State Personnel Board of Review; Scott Murray, Board of Motor Vehicle Repair; Thomas Needles, Motor Vehicle Dealers Board; Gary Siciliano, Motor Vehicle Salvage Dealers Licensing Board and George Snyder, State Board of Emergency Medical, Fire, and Transportation Services

- HB 341** **TRANSPORTATION LAWS (Young, R., Sweeney, M.)** To require the Public Utilities Commission to raise the existing statutorily designated towing and storage fees annually by the percentage increase in the consumer price index, to establish a \$35 fee for the retrieval of nonmedical personal items from a motor vehicle, to modify the civil penalties applicable to violations of the towing law, to modify the calculation of the value of an abandoned vehicle to which a towing service or storage facility seeks to take title, and to make other changes to the towing law. (2nd Hearing-Opponent & interested party)
- HB 532** **REAL ESTATE SALES (Smith, R.)** Relating to real estate brokers and salespersons. (2nd Hearing-All testimony-Possible amendments & vote)
- SB 345** **LICENSE PLATE (Jones, S.)** To create the Conquer Childhood Cancer license plate. (1st Hearing-Sponsor)
- SB 359** **LICENSE PLATE (Uecker, J.)** To create the Down Syndrome Awareness license plate. (1st Hearing-Sponsor)
- SB 361** **LICENSE PLATE (Thomas, C.)** To create the "Triple Negative Breast Cancer Awareness" license plate. (1st Hearing-Sponsor)
- SB 363** **LICENCE PLATE (Oelslager, S.)** To create the "Buckeye Corvette" license plate. (1st Hearing-Sponsor)
- HB 436** **DUI SENTENCES (Cupp, R., Rogers, J.)** To authorize a judge that grants limited driving privileges to a second-time OVI offender to order the termination of the mandatory immobilization order. (1st Hearing-Sponsor)
- HB 455** **BOARDING SCHOOL ZONE (Patterson, J., Roegner, K.)** To authorize a municipal corporation or township to establish a boarding school zone and a special speed limit within that zone. (2nd Hearing-All testimony)
- Senate Rules & Reference (Committee Record) (Chr. Faber, K., 466-7584), Majority Conf. Rm., 11 a.m.
- Senate Criminal Justice (Committee Record) (Chr. Eklund, J., 644-7718), South Hearing Rm., 11:15 a.m.
- Confirmation hearing on governor's appointments of Larry Mincks, Sr. and Christopher Viland, Ohio Organized Crime Investigations Commission
- HB 172** **CRIMINAL RECORDS (Barnes, J.)** To enact the Fair and Accurate Reporting of Criminal Records Law, to require certain business entities that publish criminal record information to ensure that the information is complete and accurate, to provide a procedure by which a subject of published criminal record information may have incomplete or inaccurate information corrected or removed from the publication, and to provide remedies for the failure of a business entity to remove or correct incomplete or inaccurate information. (1st Hearing-Sponsor)
- SB 237** **DRUG VOLUME (LaRose, F.)** To provide that five milligrams or more of fentanyl or an amount equal to or exceeding one gram of a compound, mixture, preparation, or



substance that contains any amount of fentanyl and that is not in a final dosage form manufactured by an authorized manufacturer constitutes a bulk amount for purposes of the laws governing drug offenses, to revise the manner of determining sentence for certain violations of the offense of permitting drug abuse, and to add lisdexamfetamine to the list of schedule II controlled substances. (5th Hearing-All testimony-Possible amendments & vote)

**SB 162** **DEATH SENTENCES** (Seitz, B., Williams, S.) To provide that a person convicted of aggravated murder who shows that the person had a serious mental illness at the time of committing the offense cannot be sentenced to death for the offense and to provide a mechanism for resentencing to a life sentence a person previously sentenced to death who proves that the person had a serious mental illness at the time of committing the offense. (7th Hearing-All testimony-Possible amendments & vote)

**SB 195** **SEXUAL CONDUCT** (Hughes, J., Hottinger, J.) To prohibit a person from engaging in sexual conduct with an animal and related acts, to provide for the seizure and impoundment of an animal that is the subject of a violation, and to authorize a sentencing court to require an offender to undergo psychological evaluation or counseling. (5th Hearing-All testimony-Possible vote)

**SB 265** **CASINO OPERATORS** (Seitz, B.) To specify that the criminal penalty related to casino operators and employees participating in casino gaming applies at their casino facility or an affiliated casino facility. (5th Hearing-All testimony-Possible amendments & vote)

**HB 405** **IMPORTUNING** (Schaffer, T., Smith, K.) To amend the penalties for the offense of importuning. (3rd Hearing-All testimony-Possible amendments & vote)

**HB 185** **ARSON** (Koehler, K.) To eliminate lack of the property owner's consent as an element of arson when the property is abandoned real property and to make the consent of the owner of abandoned real property an affirmative defense. (4th Hearing-All testimony-Possible amendments & vote)

**HB 521** **PAROLE ELIGIBILITY** (Manning, N.) To provide special parole eligibility dates for persons with an indefinite or life sentence imposed for an offense committed when the person was less than 18 years of age, to require the Parole Board to consider specified mitigating factors in those cases, and to require notice to the Ohio Public Defender and prosecuting attorney prior to the parole consideration hearing. (2nd Hearing-All testimony-Possible amendments & vote)

**HB 439** **VOYEURISM** (Anielski, M.) To include an impaired person as a victim of voyeurism and to include conduct involving an impaired person within the offenses of pandering obscenity involving a minor, pandering sexually oriented matter involving a minor, and illegal use of a minor in a nudity-oriented material or performance. (2nd Hearing-Proponent)

**SB 316** **SEXUAL IMPOSITION** (Hughes, J.) To increase the penalty for sexual imposition when the offender previously has been convicted of or pleaded guilty to three or more violations of sexual imposition or other specified sex offenses. (2nd Hearing-Proponent)

**Canceled: House Session (Chr. Rosenberger, C., 466-3357), House Chamber, 1:30 p.m.**

- If needed

Senate Session (Chr. Faber, K., 466-4900), Senate Chamber, 1:30 p.m.

House State Government (Committee Record) (Chr. Maag, R., 644-6023), Rm. 121, 2:30 p.m.

- SB 227** ATTORNEY GENERAL (Bacon, K.) To make various changes to the laws governing the duties and functions of the Attorney General. (2nd Hearing-Opponent-Possible amendment & vote)
- HB 577** LAME DUCK SESSIONS (Boose, T.) To prohibit the General Assembly from holding sessions after the general election in an even-numbered year. (1st Hearing-Sponsor)
- HJR 7** BANKING FUNCTIONS (Sheehy, M., Ramos, D.) To urge the United States Congress and the President of the United States to enact legislation that would reinstate the separation of commercial and investment banking function that was in effect under the Glass-Steagall Act. (1st Hearing-Sponsor)
- HR 383** TRAIN CREWS (Sheehy, M., Lepore-Hagan, M.) To support the Federal Railroad Administration's proposed rule requiring trains operated in the United State to have at least a two-person crew. (1st Hearing-Sponsor)
- HB 331** SAFETY BELTS (Phillips, D.) To require all passengers in automobiles to wear safety belts. (1st Hearing-Sponsor)
- HR 344** CORPORATE BOARDS (Johnson, G., Boggs, K.) To urge equitable and diverse gender representation on the corporate boards of directors of companies based in Ohio. (1st Hearing-Sponsor)
- HB 494** FIREARMS (Antonio, N., Boyd, J.) To require a court that issues a protection order to determine if the respondent is prohibited from carrying or possessing a firearm, to require a court to determine whether an offender who has been convicted of specified offenses is prohibited from carrying or possessing a firearm, and to require a respondent or offender who the court determines is prohibited from carrying or possessing a firearm to transfer all firearms in the person's possession to a law enforcement agency or a federally licensed firearms dealer. (1st Hearing-Sponsor)
- HB 324** DAY DESIGNATION (Ramos, D.) To declare November 23rd as Fleet Admiral Ernest Joseph King Day. (1st Hearing-Sponsor)
- HB 381** NUTRITION PROGRAMS (Ramos, D., Howse, S.) To require the Director of Job and Family Services to request a federal waiver of time limits for certain Supplemental Nutrition Assistance Program recipients. (1st Hearing-Sponsor)
- HB 332** REPLICA VEHICLE TITLES (Patterson, J.) To provide that when a certificate of title is issued for a motor vehicle, the owner may request that the certificate indicate that the motor vehicle is a replica vehicle. (1st Hearing-Sponsor)
- HB 330** EQUAL PAY CERTIFICATE (Howse, S., Clyde, K.) To require a contractor or person submitting a bid or other proposal for a state contract or a business entity applying for a grant or other economic incentive from a state agency to obtain an equal pay certificate, to require state agencies and political subdivisions to establish a job evaluation system to identify and eliminate sex-based wage disparities among classes of employees, and to prohibit an employer from retaliating against an employee who discusses the employee's salary or wage rate with another employee. (1st Hearing-Sponsor)

**HB 337** DAY DESIGNATION (Clyde, K.) To designate the fourth Tuesday of September as Ohio Voter Registration Day. (1st Hearing-Sponsor)

**HR 56** EQUAL PAY DAY (Fedor, T.) To recognize April 14, 2015, as Equal Pay Day to encourage public awareness of the gender wage gap. (1st Hearing-Sponsor)

**HB 329** DAY DESIGNATION (Howse, S., Boyd, J.) To designate February 23 as Louis Stokes Day. (1st Hearing-Sponsor)

**HB 519** LSC DUTIES (Howse, S.) To require the Director of the Legislative Service Commission to prepare a human impact statement concerning a bill or resolution that proposes to amend the law governing criminal justice. (1st Hearing-Sponsor)

**HCR 23** DAY DESIGNATION (Howse, S.) To designate June 15, 2015, as Karamu House Day. (1st Hearing-Sponsor)

Senate Agriculture (Committee Record) (Chr. Hite, C., 466-8150), South Hearing Rm., 4:30 p.m.

**SB 271** POLICE ANIMALS (Gentile, L.) To authorize a law enforcement officer to purchase a police dog or horse for fair market value when the officer retires in good standing from a law enforcement agency and certain conditions are met, and to declare an emergency. (2nd Hearing-All testimony-Possible vote)

#### Thursday, December 1

Senate Financial Institutions (Committee Record) (Chr. Hughes, J., 466-5981), Finance Hearing Rm., 9 a.m.

**SB 355** LOAN ACT (Peterson, B.) To create the Ohio Consumer Installment Loan Act. (3rd Hearing-All testimony-Possible amendments & vote)

Senate Transportation, Commerce & Labor (Committee Record) (Chr. LaRose, F., 466-4823), North Hearing Rm., 9:30 a.m.

**HB 341** TRANSPORTATION LAWS (Young, R., Sweeney, M.) To require the Public Utilities Commission to raise the existing statutorily designated towing and storage fees annually by the percentage increase in the consumer price index, to establish a \$35 fee for the retrieval of nonmedical personal items from a motor vehicle, to modify the civil penalties applicable to violations of the towing law, to modify the calculation of the value of an abandoned vehicle to which a towing service or storage facility seeks to take title, and to make other changes to the towing law. (3rd Hearing-Proponent & interested party-Possible amendments & vote)

**HB 455** BOARDING SCHOOL ZONE (Patterson, J., Roegner, K.) To authorize a municipal corporation or township to establish a boarding school zone and a special speed limit within that zone. (3rd Hearing-All testimony-Possible amendments & vote)

**SB 202** FRONT LICENSE PLATE (Thomas, C.) To specify that failure to display a license plate on the front of a motor vehicle that is required to display a license plate on the front and rear of the vehicle is a secondary traffic offense, to establish a maximum fine of \$25 for such an offense, to name this act the "DuBose Was A Beacon Act," and to amend the version of section 4503.21 of the Revised Code that is scheduled to take effect January 1, 2017, to continue the provisions of this act on and after that effective date. (1st Hearing-Sponsor)


- HB 436** **DUI SENTENCES** ([Cupp, R.](#), [Rogers, J.](#)) To authorize a judge that grants limited driving privileges to a second-time OVI offender to order the termination of the mandatory immobilization order. (2nd Hearing-All testimony-Possible amendments & vote)
- HB 236** **PROFESSIONAL ENGINEERS** ([Landis, A.](#), [Blessing, L.](#)) To require professional engineers to complete continuing professional development hours in professional ethics or rules relevant to engineering or surveying practices. (4th Hearing-All testimony-Possible amendments & vote)
- SB 249** **ROOFING CONTRACTORS** ([Patton, T.](#)) To require commercial roofing contractors to have a license. (3rd Hearing-All testimony)
- House Finance (Committee Record) (Chr. Smith, R., 466-1366), Rm. 313, 10 a.m.
- SB 235** **PROPERTY TAXES** ([Beagle, B.](#), [Coley, B.](#)) To exempt from property tax the increased value of property on which industrial or commercial development is planned until the completion of new commercial or industrial facilities at the property. (4th Hearing-All testimony-Possible amendments, substitute & vote)
- SB 331** **PET STORES** ([Peterson, B.](#)) To regulate the sale of dogs from pet stores and dog retailers and to require the Director of Agriculture to license pet stores. (2nd Hearing-All testimony-Possible substitute)
- SB 319** **DRUG REGULATIONS** ([Eklund, J.](#)) To revise certain laws regarding the regulation of drugs, the practice of pharmacy, and the provision of addiction services. (2nd Hearing-Possible substitute)
- SB 332** **INFANT MORTALITY** ([Jones, S.](#), [Tavares, C.](#)) To provide for the implementation of recommendations made by the Commission on Infant Mortality and to authorize pharmacists to administer by injection certain prescribed drugs. (2nd Hearing-Possible substitute)
- Senate Session (Chr. Faber, K., 466-4900), Senate Chamber, 11 a.m.  
Senate Rules & Reference (Committee Record) (Chr. Faber, K., 466-7584), Majority Conf. Rm., 11 a.m.

## **Tuesday, December 6**

House Session (Chr. Rosenberger, C., 466-3357), House Chamber, 11 a.m.  
Senate Rules & Reference (Committee Record) (Chr. Faber, K., 466-7584), Majority Conf. Rm., 11 a.m.  
Senate Session (Chr. Faber, K., 466-4900), Senate Chamber, 1:30 p.m.

## **Wednesday, December 7**

Senate Rules & Reference (Committee Record) (Chr. Faber, K., 466-7584), Majority Conf. Rm., 11 a.m.  
House Session (Chr. Rosenberger, C., 466-3357), House Chamber, 1:30 p.m.  
Senate Session (Chr. Faber, K., 466-4900), Senate Chamber, 1:30 p.m.

**NOTE:** Click bill or resolution number links to see the legislative history compiled by Gongwer News Service. Click the  after a bill number to create a saved search and email alert for that bill. Click "Full Text" if present to view the text of legislation on the Legislature's Web site.

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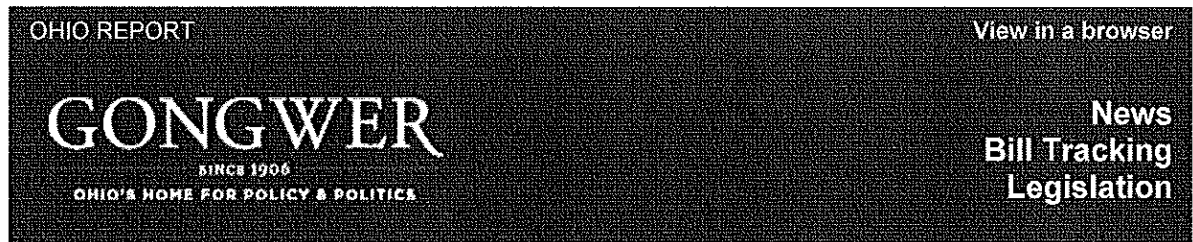
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## **OHIO REPORT TUESDAY, NOVEMBER 22**

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**Senate Hears Mixed Review Of Energy Freeze Bill; Early December Committee Vote Eyed**

**Senate Panel Takes Up Ignition Interlock Device Measure**

**Proponents Urge Senate Support For Ohio EPA Updates**

**Committee Chair Raises Concerns About Insurance Bill**

**Medical Board Closes Investigation Into Dayton Abortion Clinic**

**Buckeye Institute Touts Charity Care; OSMA Launches Opioid Campaign; Innovation Ohio Eyes Food Insecurity**

**Farmers Union Prices Thanksgiving Dinner; AG Warns On Holiday Shopping Scams; DSW Sales Up**

**Governor's Appointment**

**Attorney General's Opinion**

**Supplemental Agency Calendar**

**Supplemental Event Planner**

**Senate Committee Hearings**

**Energy & Natural Resources**

**Insurance**

## **ACTIVITY REPORTS**

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**Senate**

## **CALENDARS**

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**Day Planner**

**Legislative Committee Schedules**

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## Senate Activity for Tuesday, November 22, 2016

### INTRODUCED

**SB 369**  **ROAD NAMING** (Patton, T., Manning, G.) To designate a portion of Interstate Route 90 in Cuyahoga County as the "Patrol Trooper Kenneth Velez Memorial Highway." Am. 5534.46

**SB 370**  **LICENSE PLATE** (Patton, T.) To create the "University of Notre Dame" license plate. Am. 4501.21 and to enact section 4503.514

**SB 371**  **COUNTY PROSECUTORS** (Thomas, C.) To prohibit prosecuting attorneys of counties with a population of 400,001 or more from engaging in the private practice of law. Am. 309.02 and 325.11

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## **Legislative Committee Schedules beginning 11/23/2016**

### **Monday, November 28**

House Rules & Reference (Committee Record) (Chr. Amstutz, R., 466-1474), Rm. 119, 10:30 a.m.  
Senate Education (Committee Record) (Chr. Lehner, P., 466-4538), Finance Hearing Rm., 2 p.m.

- SB 136** **SCHOOL SECLUSION** (Tavares, C.) To prohibit the use of seclusion on students in public schools. (1st Hearing-Sponsor)
- SB 346** **SCHOOL YEAR** (Manning, G.) To generally require public and chartered nonpublic schools to open for instruction after Labor Day. (2nd Hearing-Proponent)
- HB 89** **MEDICAID SCHOOL PROGRAM** (DeVitis, T.) Regarding the Medicaid School Program. (2nd Hearing-All testimony)
- HB 383** **FINANCIAL LITERACY** (Hagan, C., McColley, R.) To require one-half unit of economic and financial literacy in the high school social studies curriculum, to require the Chancellor of Higher Education to prepare an informed student document for each state institution of higher education, to require the State Board of Education to include information on the informed student document in the standards and model curricula it creates for financial literacy and entrepreneurship, and to entitle the act the "Informed Student Document Act." (2nd Hearing-All testimony)
- HB 85** **ABUSE PREVENTION** (Ramos, D., Hagan, C.) With respect to age-appropriate student instruction in child sexual abuse and sexual violence prevention and in-service staff training in child sexual abuse prevention. (2nd Hearing-Proponent)

### **Tuesday, November 29**

House State Government (Committee Record) (Chr. Maag, R., 644-6023), Rm. 113, 9 a.m.

- SB 227** **ATTORNEY GENERAL** (Bacon, K.) To make various changes to the laws governing the duties and functions of the Attorney General. (1st Hearing-Sponsor & proponent)  
House Agriculture & Rural Development (Committee Record) (Chr. Hill, B., 644-6014), Rm. 116, 9 a.m.
- HR 214** **PHOSPHORUS AGREEMENT** (Sheehy, M., Fedor, T.) To encourage support for the agreement between Ontario, Michigan and Ohio regarding the reduction of phosphorus in the western basin of Lake Erie. (1st Hearing-Sponsor)
- HB 566** **NURSERY STOCK** (Ramos, D.) To prohibit the labeling and advertising of nursery stock as pollinator beneficial under specified conditions (1st Hearing-Sponsor)  
House Education (Committee Record) (Chr. Brenner, A., 466-6711), Rm. 017, 9 a.m.
- HB 498** **STUDENT EXPULSIONS** (Kunze, S.) With respect to the expulsion of a student from a school district, community school, or STEM school for communicating a threat of violence to occur on school grounds. (2nd Hearing-Proponent)

**HB 372** **EDUCATIONAL SERVICES (Phillips, D.)** To require city, exempted village, and local school districts to employ, for each 1,000 students, at least five full-time equivalent educational service personnel in specified areas. (1st Hearing-Sponsor)  
House Insurance (Committee Record) (Chr. Brinkman, T., 644-6886), Rm. 121, 9 a.m.

**SB 27** **FIREFIGHTER CANCER (Patton, T.)** To provide that a firefighter who is disabled as a result of specified types of cancer is presumed for purposes of the laws governing workers' compensation and the Ohio Police and Fire Pension Fund to have incurred the cancer while performing official duties as a firefighter. (3rd Hearing-All testimony-Possible amendments, substitute & vote)

**HB 394** **UNEMPLOYMENT COMPENSATION (Sears, B.)** To temporarily change the taxable wage base under Ohio's Unemployment Compensation Law, to remove dependency classes for unemployment compensation benefit eligibility, to temporarily freeze automatic increases for weekly unemployment compensation benefit amounts, to reduce the number of weeks for which an individual may receive unemployment compensation benefits, to abolish the Unemployment Compensation Advisory Council, and to make other changes to Ohio's Unemployment Compensation Law. (6th Hearing-All testimony-Possible substitute)  
House Financial Institutions, Housing & Urban Development (Committee Record) (Chr. Dever, J., 466-8120), Rm. 122, 9 a.m.

**HB 593** **CROWDFUNDING (Arndt, S.)** To permit intrastate equity crowdfunding under certain circumstances. (2nd Hearing-Proponent)

**HB 598** **LOAN ACT (Terhar, L.)** To create the Ohio Consumer Installment Loan Act. (2nd Hearing-Proponent-Possible substitute)

**HB 616** **BANKING LAW (Amstutz, R.)** For the purpose of enacting a new banking law for the State of Ohio. (1st Hearing-Proponent-Possible substitute)

Senate Agriculture (Committee Record) (Chr. Hite, C., 466-8150), South Hearing Rm., 9 a.m.

- Confirmation hearing on governor's appointments of S. Craig Beam, Ohio Thoroughbred Race Fund Advisor Council; Kelly Cole, Southern Ohio Agricultural and Community Development Foundation; Cy Prettyman, Ohio Livestock Care Standards Board and Michael Frazier and Gregory Levens, Dangerous & Restricted Animals Advisory Board

**SB 151** **DOGS LAW (Beagle, B.)** To revise provisions of the Dogs Law governing nuisance, dangerous, and vicious dogs, to revise enforcement of that Law, and to establish a notification process regarding complaints of certain violations of that Law. (4th Hearing-Opponent)

**SB 224** **AGRICULTURE LAWS (Brown, E.)** To revise the application and enforcement of the law governing operation and management plans, and to require certain animal feeding facilities to annually report the amount of manure that is applied by or for the facilities. (1st Hearing-Sponsor)

**SB 271** **POLICE ANIMALS (Gentile, L.)** To authorize a law enforcement officer to purchase a police dog or horse for fair market value when the officer retires in good standing from a law enforcement agency and certain conditions are met, and to declare an emergency. (1st Hearing-Sponsor)

House Local Government (Committee Record) (Chr. Anielski, M., 644-6041), Rm. 018, 9:30 a.m.

- HB 561** **PARK COMMISSIONERS (Boccieri, J., Clyde, K.)** To require boards of county commissioners to appoint additional park board commissioners and allow for public comment during appointment process. (1st Hearing-Sponsor)
- HB 562** **MAIL DELIVERY (Hambley, S., Ryan, S.)** To authorize local governments and officers to deliver certain notices by ordinary mail and electronically instead of by certified mail. (1st Hearing-Sponsor)
- HB 576** **PUBLIC RECORDS (Ryan, S.)** To exempt from the Public Records Act financial account numbers and identifying information in public records and to provide that taxpayer electronic mail address lists used by county treasurers to deliver tax bills are not public records. (1st Hearing-Sponsor)

Senate State & Local Government (Committee Record) (Chr. Uecker, J., 466-8082), North Hearing Rm., 9:45 a.m.

- **Confirmation hearing on governor's appointment of Thomas Pascarella, Ohio Retirement Study Council**

- SB 347** **PRIMARY ELECTIONS (LaRose, F.)** To expand the circumstances under which a board of elections or the secretary of state is not required to hold a primary election. (2rd Hearing-All testimony-Possible amendments & vote)
- SB 322** **POLICE TRAINING (Hite, C.)** To require the Ohio peace officer training commission to develop and conduct a chief of police training course for newly appointed chiefs of police appointed on or after January 1, 2017, and to require newly appointed chiefs of police of villages, cities, and townships to attend the training course within six months of appointment as a chief of police. (3rd Hearing-All testimony-Possible amendments & vote)
- SB 306** **DAY DESIGNATION (Yuko, K.)** To designate July 8 as "Harrison Dillard Day." (2rd Hearing-All testimony-Possible amendments & vote)
- HB 440** **AWARENESS DAY (Anielski, M.)** To designate the Saturday before Thanksgiving as "Ohio Survivors of Suicide Loss Day." (2rd Hearing-All testimony-Possible amendments & vote)
- HB 276** **CHIROPRACTORS (Schuring, K.)** To authorize chiropractors to engage in certain activities involving nutrition-related items and therapies, nonprescription drugs, and medical goods and devices. (2nd Hearing-proponent)
- HB 423** **MILITARY RECORDS (Perales, R.)** To specify that an order for active military service or other documentation regarding the call to order of an individual in the Armed Forces of the United States or the Ohio organized militia is not a public record. (1st Hearing-Sponsor)
- HB 167** **LEGISLATIVE SERVICE COMMISSION (Sweeney, M.)** Regarding the term of a General Assembly member as a member of the Legislative Service Commission. (2rd Hearing-All testimony-Possible amendments & vote)
- House Finance (Committee Record) (Chr. Smith, R., 466-1366), Rm. 313, 10 a.m.
- SB 331** **PET STORES (Peterson, B.)** To regulate the sale of dogs from pet stores and dog retailers and to require the Director of Agriculture to license pet stores. (1st Hearing-Sponsor)

**SB 235** **PROPERTY TAXES** (Beagle, B., Coley, B.) To exempt from property tax the increased value of property on which industrial or commercial development is planned until the completion of new commercial or industrial facilities at the property. (3rd Hearing-All testimony-Possible amendments & substitute)  
House Session (Chr. Rosenberger, C., 466-3357), House Chamber, 11 a.m.  
Senate Rules & Reference (Committee Record) (Chr. Faber, K., 466-7584), Majority Conf. Rm., 11 a.m.  
Senate Financial Institutions (Committee Record) (Chr. Hughes, J., 466-5981), Finance Hearing Rm., 11:15 a.m.

**SB 335** **AUTOMATED TELLER MACHINES** (Patton, T.) To regulate non-bank automated teller machines. (1st Hearing-Sponsor)

**SB 355** **LOAN ACT** (Peterson, B.) To create the Ohio Consumer Installment Loan Act. (1st Hearing-Sponsor)

House Transportation & Infrastructure (Committee Record) (Chr. Boose, T., 466-9628), Rm. 018, 1 p.m. or after session

- **Agenda to be announced**

House Ways & Means (Committee Record) (Chr. Schaffer, T., 466-8100), Rm. 121, 1:30 p.m. or after session

**HB 482** **PROPERTY TAXES** (Dever, J.) To change the calculation of the exempt value of improved property subject to a community reinvestment area exemption, to clarify the calculation of the exempt value of property subject to a brownfield remediation exemption, and to authorize the filing of a complaint with the county auditor challenging the assessed value of fully or partially exempt property. (2nd Hearing-Proponent)

**HB 592** **INVESTMENT COMPANIES** (Merrin, D.) To subject small business investment companies to the commercial activity tax rather than the financial institutions tax. (1st Hearing-Sponsor)

**HB 612** **DISASTER BUSINESS EXEMPTION** (Ryan, S.) To exempt out-of-state disaster businesses and qualifying out-of-state employees from certain taxes and laws with respect to disaster work on critical infrastructure performed in this state during a declared disaster (1st Hearing-Sponsor)

House Government Accountability & Oversight (Committee Record) (Chr. Blessing, L., 466-9091), Rm. 114, 1:30 p.m. or after session

**SB 206** **CAMPAIGN FINANCE REPORTS** (LaRose, F.) To require certain campaign committees and other entities to file campaign finance statements electronically and to require the Secretary of State to make the information in those statements available online. (1st Hearing-Sponsor)

**HB 613** **SUNSET REVIEW LAW** (Amstutz, R.) To revise and renew the Sunset Review Law, to require that a Sunset Review Committee be convened to function during each oddnumbered General Assembly, and to declare an emergency. (1st Hearing-Sponsor-Possible substitute)

**HB 619** **STATE PROPERTY CONVEYANCES** (Rezabek, J.) To authorize the conveyance of, and the granting of perpetual easements to, state-owned real property. (1st Hearing-Sponsor-Pending referral)

**SB 273** CORPORATE GOVERNANCE (Bacon, K.) To enact the Corporate Governance Annual Disclosure Act. (2nd Hearing-Proponent)

**SB 329** SUNSET REVIEW (Jordan, K., Faber, K.) To require standing committees of the General Assembly to establish a schedule for the periodic review and sunset of state departments that are currently in the Governor's cabinet. (2nd Hearing-Proponent)

**HB 591** SPECIAL ELECTIONS (Pelanda, D.) To eliminate the requirement of holding a special election to fill a vacancy in a party nomination for the office of representative to Congress under certain circumstances. (2nd Hearing-Proponent)

**HB 539** NEW AMERICANS (Boyce, K.) To create the office for New Americans. (1st Hearing-Sponsor)

**HB 536** STATEHOUSE VIDEO (Fedor, T.) To require the Ohio Government Telecommunications Service to broadcast live, with video and audio content, all General Assembly committee meetings and to name this act the Wire the Statehouse Act. (1st Hearing-Sponsor)

**HR 192** VOTING RIGHTS ACT (Clyde, K., Reece, A.) Commemorating the fiftieth anniversary of the Voting Rights Act of 1965. (1st Hearing-Sponsor)

**HR 206** CONFEDERATE FLAG (Sykes, E., Reece, A.) To urge the powers of the governments that continue to make issuances containing the confederate flag to discontinue this practice, to urge the powers of the governments that fly the confederate flag or any flag containing imagery of the confederate flag on public property to remove those flags in question, to urge the powers of governments that have official state flags that contain imagery derived from the confederate flag to commence in the process of redesigning the official state flag immediately, to urge South Carolina's General Assembly to direct removal of the confederate flag from state property and to urge Ohio retailers to remove from inventory any confederate flag merchandise. (1st Hearing-Sponsor)

**HB 179** VOTER REGISTRATION (Stinziano, M., Sykes, E.) To require that eligible persons in the database of the Bureau of Motor Vehicles be automatically registered to vote or have their registrations updated automatically, as applicable, unless those persons decline to be registered or to update their registrations. (1st Hearing-Sponsor)

Senate Session (Chr. Faber, K., 466-4900), Senate Chamber, 1:30 p.m.  
House Commerce & Labor (Committee Record) (Chr. Young, R., 644-6074), Rm. 122, 2 p.m. or after session

**HB 601** MICROBUSINESS (Pelanda, D.) To create a statutory definition of "microbusiness." (2nd Hearing-All testimony-Possible amendments & vote)

**HB 574** USED TIRES (Sprague, R., DeVitis, T.) To prohibit the installation of unsafe used tires on certain motor vehicles. (2nd Hearing-Proponent)

Senate Finance (Committee Record) (Chr. Oelslager, S., 466-0626), Finance Hearing Rm., 2:30 p.m. or after session

- Confirmation hearing on governor's appointments available at <http://www.gongwer-oh.com/public/130/finconfirm.pdf>

**HB 435** STATE FINANCING (McClain, J.) To authorize the Treasurer of State to issue revenue obligations of the state for the purpose of making loans to qualifying public

entities for their acquisition of permanent improvements through the Treasurer of State's purchase of public obligations of those qualifying entities. (1st Hearing-Sponsor)

**SB 230** **ACADEMIC DISTRESS COMMISSIONS** (Schiavoni, J.) With regard to the operation of academic distress commissions and to modify the earmarked funding for the establishment of academic distress commissions. (1st Hearing-Sponsor)

**HB 384** **HIGHER EDUCATION AUDITS** (Schaffer, T., Duffey, M.) To specify that state institutions of higher education may be subject to performance audits conducted by the Auditor of State. (2nd Hearing-All testimony-Possible amendments)

**SB 317** **BANKING LAWS** (Hughes, J., Coley, B.) For the purpose of enacting a new banking law for the State of Ohio. (4th Hearing-All testimony-Possible amendments & vote)  
Senate Health & Human Services (Committee Record) (Chr. Jones, S., 466-9737), North Hearing Rm., 3 p.m. or after session

- Confirmation hearing on governor's appointments of Stephanie Loucka, Director of the Department of Aging; Billy Anderson, Jr., Ashok Das, Michael Ginder and Kumar Subramanian, D.D.S., State Dental Board; Raymond Mancini, John Patton, III, James Armile and John Stainbrook, Ohio Athletic Commission; Michael Aquillo, Ohio Respiratory Care Board; Michael Pratt, Hearing Aid Dealers and Fitters Licensing Board; Ronan Factora, State Medical Board; Paul Schoonover, Chemical Dependency Professionals Board; Christopher Taylor, Ohio Board of Dietetics; Fred Weaver, Kilee Yarosh, Timothy Bechtold, State Board of Pharmacy; Jason Dapore, Hollie Kozak, Chad Miller and Jennifer Wissinger, Occupational Therapy, Physical Therapy, and Athletic Trainers Board.

**HB 216** **NURSES** (Pelanda, D.) To revise the law governing advanced practice registered nurses. (2nd Hearing-Proponent-Possible amendments)

**HB 285** **PRESCRIPTION REFILLS** (Sprague, R.) To authorize pharmacists to dispense multiple refills of a prescription simultaneously under certain circumstances. (2nd Hearing-Proponent)

**HB 470** **PALLIATIVE CARE FACILITIES** (Schuring, K.) Regarding palliative care facilities. (2nd Hearing-Proponent)

**SB 42** **OUTPATIENT TREATMENT** (Beagle, B.) Regarding minors and outpatient mental health treatment. (5th Hearing-All testimony)

**SB 314** **HOSPITAL CARE** (Lehner, P.) To provide for the designation of a lay person to provide after-care to a hospital inpatient and participate in discharge planning. (4th Hearing-All testimony)

**HB 290** **TERMINAL PATIENTS** (Sprague, R., Anielski, M.) To permit a physician to treat a terminally ill patient with a drug that is not approved by the United States Food and Drug Administration and permit a drug manufacturer to provide such a drug to the patient or physician. (3rd Hearing-Opponent & interested party)

**HB 505** **BIOLOGICAL PRODUCTS** (Huffman, S., Pelanda, D.) Regarding the regulation of biological products and the substitution of interchangeable biological products when dispensed by pharmacists. (3rd Hearing-Opponent & interested party-Possible amendments)

House Armed Services, Veterans Affairs & Public Safety (Committee Record) (Chr. Johnson, T., 466-2124), Rm. 017, 3:30 p.m.

- HB 464** **NATIONAL GUARD SCHOLARSHIPS** (Terhar, L., Brinkman, T.) To specify that a National Guard scholarship recipient who fails to complete the recipient's term of enlistment in the National Guard due to enlistment, warrant, commission, or appointment in the United States armed forces is not liable for repayment of the scholarship. (3rd Hearing-Possible substitute & vote)
- HB 105** **MILITARY TRANSFERS** (Craig, H., Perales, R.) To permit persons who quit work to accompany the person's spouse on a military transfer to be eligible for unemployment compensation benefits. (2nd Hearing-Proponent)
- House Judiciary (Committee Record) (Chr. Butler, J., 644-6008), Rm. 116, 3:30 p.m.
- SB 284** **EXPUNGEMENT** (Obhof, L.) To provide that a person who is found not guilty of an offense by a jury or a court or who is the defendant named in a dismissed complaint, indictment, or information may apply to the court for an order to expunge the person's official records in the case if the complaint, indictment, or information or finding of not guilty was the result of the applicant having been a victim of human trafficking and to authorize intervention in lieu of conviction for persons charged with committing an offense while a victim of compelling prostitution. (1st Hearing-Sponsor)
- SB 257** **REAL PROPERTY** (Seitz, B., Skindell, M.) To create a presumption of validity of recorded real property instruments, reduce the time period for curing certain defects related to those instruments, and provide constructive notice for those instruments. (1st Hearing-Sponsor & proponent)
- HB 559** **MEDICAL CLAIMS** (Cupp, R.) To grant qualified civil immunity to certain medical providers who provide emergency medical services as a result of a disaster or mass hazard; to provide that certain communications made regarding an unanticipated outcome of medical care, the development or implementation of standards under federal laws, and an insurer's reimbursement policies on health care are inadmissible as evidence in a medical claim; to provide that medical bills itemizing charges are inadmissible as evidence and a payment for medical services accepted by a defendant from an insurer is admissible as evidence of the reasonableness of the charges; to specify the manner of sending a notice of intent to file a medical claim and provide a procedure for the discovery of other potential claims within a specified period after the filing of a medical claim; to provide that any loss of a chance of recovery or survival by itself is not an injury, death, or loss for which damages may be recovered; to provide civil immunity to certain medical providers regarding the discharge of a patient with a mental condition that threatens the safety of the patient or others; to require that governmental agencies that receive peer review committee records maintain their confidentiality; and to clarify the definition of "medical claim." (1st Hearing-Sponsor & proponent)
- HB 602** **DIGITAL ASSETS** (Cupp, R., Rezabek, J.) To adopt the Revised Uniform Fiduciary Access to Digital Assets Act. (1st Hearing-Sponsor & proponent)
- SB 299** **PERRY COUNTY COURTS** (Hottinger, J.) To create the Perry County Municipal Court in New Lexington on January 1, 2017, to establish one full-time judgeship in that court, to provide for the nomination of the judge by petition only, to abolish the Perry County County Court on that date, to designate the Perry County Clerk of Courts as